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CORPORATIONS WITH FARMING OPERATIONS

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ABSTRACT

In 1968, some 13,300 farming corporations accounted for 1 percent of all commercial farms and operated 7 percent of the farmland. California and Florida had about one-fifth of the total number and some of the largest corporate farming operations. Nearly two-thirds of farming corporations were family owned and controlled. Since farming corporations tend to be closely held, the owners were usually involved in management. However, only one-third of the 12 average employees were either stockholders or stockholder relatives. Farming was the only business activity for the two-thirds of the corporations. Others had farm-related business and nonfarm-related business. The farm product sales of corporations was about \$3.3 billion or 8 percent of total sales from all farms in 1967.

Key words: Farming corporations, corporate farms, business organization, nonfarm businesses, agricultural structure, farm ownership, survey of farming corporations.

PREFACE

In November 1967, the Secretary of Agriculture directed the Economic Research Service to conduct a survey to determine the number, kinds, and general characteristics of corporations that were directly involved in the production of farm products. Concern had been expressed over the apparent increase in the number of nonfarm corporations reported to be buying land and initiating new farming enterprises. Few data were available by which to judge the importance of this trend or to evaluate the possible impact on market prices of farm products and on local business communities.

The survey sought to identify and describe briefly every incorporated business that was directly engaged in the production of farm products. Questionnaires were completed by the managers of county offices of the Agricultural Stabilization and Conservation Service (ASCS). In addition to using records maintained in each ASCS office, the managers also received assistance from county officials and from local representatives of other State and Federal agencies. The cooperation and assistance of these individuals is gratefully acknowledged. Without such

assistance, a survey of this scope could not have been completed with the time and funds available.

Although the data have some shortcomings, they are believed to be generally adequate for most purposes. Accuracy and completeness vary by items and by States. Fewer than the expected number of corporations were reported from Texas. The special survey in California provided both complete and accurate data. The Department of Agricultural Economics of the University of California at Davis cooperated in conducting a California mail survey.

Two earlier studies, (Agr. Econ. Rpts. Nos. 142 and 156 for 22 and 25 States, respectively) have already been issued with some of the survey data. This report includes data from the two previous reports plus discussions on labor and management as well as special surveys of Hawaii and California.

More detailed data from the California survey are reported in: Moore, C.V. and Snyder, J.H., A Statistical Profile of California Corporate Farms, University of California, Davis. Information Series in Agricultural Economics No. 70-3, Dec. 1970.

Use of corporation names is for identification only and does not imply endorsement by the U.S. Department of Agriculture.

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SUMMARY

A U.S. Department of Agriculture survey conducted in 1968 shows that 13,300 farming corporations operated 7 percent of U.S. farmland, representing 1 percent of all commercial farms. California and Florida accounted for about one-third of the total number, including some of the largest corporate farming enterprises.

Nearly two-thirds of the farming corporations surveyed were family corporations, while 14 percent were owned and controlled by individuals. The remaining 20 percent, grouped as other types of ownership and control, tended to have larger farming operations than individually or family controlled corporations.

Since farming corporations tend to be closely held, the owners were usually directly involved in management. Major stockholders or their families managed nearly two-thirds of the farming operations of corporations. Also, in 1967, about 4 of 12 average employees working 6 months or more were non-managing stockholders or family members.

Estimated corporate sales of farm products were \$3.3 billion in 1967 or 8 percent of the total sales from all farms. A fourth of the farming corporations had sales of farm products of \$40,000 to \$99,999. Nearly a fifth of the corporations sold less than \$20,000 of farm products, while slightly over a tenth sold \$500,000 or more.

Farming was the only business activity for nearly two-thirds of the farming corporations surveyed, the remaining third had nonfarm business interests. Some

15 percent of all farming corporations had farm-related interests such as farm supplies, marketing, or processing of farm products. Another 18 percent had business interests not directly related to agricultural production. Most of these were local businesses such as automobile dealerships, grocery firms, and real estate firms. They had mostly small farming operations.

Farming corporations in the 50 States owned and rented an average of 4,531 acres per farm or eight times the amount for all commercial farms in 1968. The average was influenced upwards by corporations in the Mountain States, which had an average of 11,423 acres per farm and contained more than half of the total land operated by corporations in the 50 States. Corporations owned a high percentage of the land they farmed.

More corporations were involved in crop than in livestock production. Corporations in the 48 States harvested an average of 831 acres of crops in 1967. Hay was the most frequently reported crop and occupied the largest proportion of cropland harvested by corporations. Other major crops were corn, wheat, other grains, soybeans, vegetables, cotton, fruit, and certain specialty crops.

Beef cow herds were the most frequently reported livestock enterprise, with an average of 452 animals per corporate unit. Fed cattle ranked second, while milk cows and hogs were third and fourth in frequency of reports. Corporate poultry enterprises, broilers, laying hens, and turkeys, were also very large.

CORPORATIONS WITH FARMING OPERATIONS

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INTRODUCTION

Few data have been available on the increased numbers of nonfarm corporations initiating new farming operations. To clarify the situation, the Economic Research Service undertook this survey of corporations with agricultural operations, accumulating data as to their location, ownership, size, rate of entry, other business interest, commodities produced, and other aspects of their activities. Earlier research had centered on the problems of incorporation of the family farm business to facilitate intergenerational transfers. Such research was sponsored by many State universities and the U.S. Department of Agriculture.¹

Farm size has tended upward with increasing use of capital. Also, economies associated with size may exist for very large-scale operations that most studies have not examined. The corporate form of business organization is able to assemble large amounts of risk capital, and for that reason may become a significant force in U.S. farm production.

In this study, a farming corporation is defined as a farming operation of any size conducted by a corporation. The corporation may or may not have other business interests. The farming operations of corporations may be varied in terms of size of operation, location, history of development, and relationship of farming to other activities of the corporation. Large-size operations are not always associated with corporations or smaller operations with sole proprietorships. The farming operations of corporations can be small and large farming operations can be conducted by sole proprietorships or partnerships.

The survey obtained information on farming operations of corporations by using the records and

personal knowledge of ASCS personnel in every county. Other local employees at various levels of Government were also consulted. For a detailed report on methodology, see Agr. Econ. Rpt. No. 156 (2).² The methodology for the special mail survey on California is described in that section.

The data on numbers and certain characteristics refer to 1968—the year the survey was initiated. However, data on crop, livestock, and sales refer to 1967, because better estimates could be obtained for the previous calendar year.

FORMS OF BUSINESS ORGANIZATION

A firm is any organization for conducting business activities. The form of organization is a means of identifying and accommodating business activity as well as providing a unit entity for the conduct of business affairs. Even when an individual conducts a business in his own right and name, the firm has a separate claim to identity.

A sole proprietorship is a firm owned and managed by one person. This form of business accounts for the largest number of all businesses, including farm businesses. However, sole proprietorships are smaller in terms of gross receipts than partnerships and corporations.

A partnership joins the interests of two or more individuals in a common venture or endeavor. As in the case of sole proprietorships, no special legal status or requirements exist for this form of organization. Often in informal partnerships the agreements are not even written.

A corporation is a special “artificial individual” created under special provision of the laws of each State. As an artificial individual, it has a character

¹ One of the more recent and comprehensive publications of this type is *The Farm Corporation*, North Central Reg. Ext. Pub. No. 11, Iowa St. Univ., Nov. 1967.

² Underscored numbers in parentheses indicate items in the Literature Cited, p. 23.

separate from its owners. The corporation is treated under law as a legal entity and may engage in business under its own name. The first two organizational forms end with the death of an individual or a partner, but a corporation in most States is permitted continuous life. A major feature of the corporation is the limitation of legal liability of each individual to the extent of his investment.

One other type of unique business organization is the joint-stock company. The joint-stock company is similar to the partnership because it is created by contract; however, it may be composed of a large group of people with transferable ownership interests. The contract or agreement is for a stated period of time and shares do not have limited liability.

An even less common business form is the Massachusetts trust, named for its State of origin; but such a business firm can conduct operations in other States. It is similar to trusts in which owners turn over assets to the trust for certificates or shares of ownership for management by the trustees. Different types of ownership can be established and new security flotations can be made for additional capital. The shareholders have limited liability, and shares are transferable. The existence of the firm is usually related to a contract date or the life of an individual.

CHARACTERISTICS OF CORPORATIONS

A corporation has several characteristics that make it unique. The corporation, being a separate legal entity, has its own rights and duties separate from its owners. For instance, it can sue and be sued in a court of law. The shareholders are not the corporation, but are joint owners of the corporation. In a large corporation with many shareholders, one owner may transfer his shares to another person without impact on the corporation.

Corporate management can be separated from ownership. In most large U.S. corporations, the owners are not usually directly involved in company operations. The board of directors, elected by the shareholders, selects the management personnel responsible for daily operating decisions. In a small corporation, the shareholders, board of directors, and management are often the same.

Some States allow one person to incorporate a business. Also, some States allow a professional person, a lawyer or an accountant, to incorporate. In States requiring three or more persons to incorporate

a business, it is a common practice to assign minor interests to close relatives. In such cases, the corporation is not significantly different from a one-man corporation (3, ch. 2).

Legal Requirements

Corporation laws vary from State to State, but most States have approximately the same outline of requirements and differ only in details. A uniform code for corporations has been proposed by the American Bar Association and adopted by several States. The basic requirements for articles of incorporation are: (1) name, (2) location of principal office, (3) purpose, (4) maximum authorized stock issue, (5) amount of beginning capital, (6) provision for the valuation of the shares, (7) election of directors, and (8) stockholders' meetings (5).

Taxation

Since corporations are treated as separate legal entities, they are regarded as separate taxable units for tax purposes. The Federal income tax rate is 22 percent of the first \$25,000 of annual net income plus an additional 26 percent of annual net income over \$25,000 or 48 percent plus the 5 percent surtax on income effective until June 30, 1970. Excessive earned surplus accounts, an accumulation of earnings not distributed to stockholders, are also subject to a tax. Many States also tax the income of corporations or have an annual franchise tax computed on assets or some other basis. Eight States have no income tax on corporations, while other States have corporate income taxes ranging as high as 8 percent (1, p. 115-117).

Capital Structure

The equity of the shareholders is composed of common stock, capital surplus, preferred stock, and retained earnings. Capital surplus is the excess of the price paid for common stock above par value. Preferred stock receives a fixed dividend or payment before a common stock dividend, assuming any net income, and preference to receipts from the sales of assets in case of liquidation. Retained earnings are net income earned by the corporation, but not paid to stockholders as dividends.

Larger and more complicated corporations have

various debt obligations such as debentures or other bonds. Debenture bonds are unsecured bonds with a fixed annual interest charge. In addition, most corporations, large and small, have loans, secured and unsecured, from financial institutions (3, ch. 5-10).

RESTRICTIONS ON FARMING CORPORATIONS

North Dakota is the only State prohibiting corporations from engaging in farming. However, North Dakota law does permit farming cooperatives by five or more adults, if 75 percent or more of the members are actual farmers. Since feedlots are not considered farms in North Dakota, they are permitted to incorporate.

Kansas law prohibits farming corporations from production of wheat, corn, barley, oats, grain sorghum, rye, potatoes, or the milking of cows. However, an exception to this law is corporations which (1) have no more than 10 shareholders, (2) have all Kansas residents as incorporators, (3) own or control no more than 5,000 acres of land, and (4) have no shareholder who owns stock in another corporation permitted by this exception. The exception is designed to permit closely held family farming corporations.

Minnesota law states that corporations engaged in farming shall not acquire more than 5,000 acres of land. It is not clear if the acquired land includes leased land.

Texas laws do not allow corporations doing business in the State to raise cattle (ranching) or own land for that purpose and also engage in stockyard, slaughtering, canning, curing, or meat packing operations. Any combination of the two is prohibited. However, a packer or stockyard may own and operate a cattle feedlot (2).

THE SURVEY OF FARMING CORPORATIONS

The basic approach used in developing a national inventory of corporations having farming or ranching operations was to consult key persons in each county having knowledge of local conditions. Reporting forms and detailed instructions were sent to each county-office manager of the Agricultural Stabilization and Conservation Service (ASCS). The county-office manager was instructed to compile a list of all

corporations directly engaged in farm production by consulting his records and conferring with certain other persons in the county (the registrar of deeds, the extension agent, local representatives of other Federal agencies, and the ASCS committeemen). Corporations owning land but not operating it directly were specifically excluded.

A limited number of basic facts were obtained for each corporation. When a corporation had more than one operating unit within a county, all separate operations were combined for that firm. Thus, the survey provided an inventory of "county units" of operations, rather than a count of separate farms and ranches, or of business firms. The actual number of corporations is somewhat less than the number of "county units" indicated, but the number of farms is greater.³

A mail survey was employed in California when it appeared that the above ASCS survey was incomplete. In some counties, the number of corporations appeared to be too great for adequate reporting. A mailing list was developed from ASCS county offices, the State Corporation Income Tax Office, and the large operator list of the Statistical Reporting Service (SRS).

Characteristics of Farming Corporations

The number of corporations having agricultural operations, not including grazing associations or institutional farms, totaled 13,313 in the 50 States. Farming corporations accounted for nearly 1 percent of the estimated 1968 commercial farms (table 1). The farming corporations operated 60 million acres or 7 percent of the estimated land in commercial farms in 1968.

Corporations in the Pacific and Mountain Regions accounted for 3 percent of commercial farms. In Florida, 9 percent of commercial farms were incorporated, but in many regions and States the percentage was less than 1 percent (appendix table 1). The proportion of land operated by corporations was the highest (31 percent) in Florida and the lowest (less than 0.5 percent) in Oklahoma and North Dakota, where farming corporations have been restricted.

³ Because only minor differences are involved, the term "corporation" is used interchangeably with "corporate county unit" in this report.

Table 1.—Farms and acres operated by corporations and commercial farms, by region, United States, 1968

Region	Commercial farms ¹		Corporations ²		Corporations as percent- age of commercial farms		Average acres per farm	
	Farms	Land in farms	Farms	Land in farms	Farms	Land in farms	Commercial farms	Corporations
	Number	1,000 acres	Number	1,000 acres	Percent	Percent	Acres	Acres
Northeast	118,900	26,300	1,178	769	1	3	221	653
Lake States	223,800	54,800	932	736	³	1	245	790
Corn Belt	417,800	114,050	1,377	1,258	³	1	273	914
Northern Plains	203,500	173,600	861	3,784	³	2	853	4,395
Appalachian	219,300	40,250	749	974	³	2	184	1,300
Southeast (excluding Florida)	90,500	28,600	383	645	³	2	316	1,684
Florida	13,500	12,500	1,215	3,864	9	31	926	3,180
Delta States	79,100	30,700	835	2,090	1	7	388	2,503
Southern Plains	115,500	146,100	490	4,533	³	3	1,265	9,251
Mountain	82,000	209,650	2,860	32,669	3	16	2,557	11,423
Pacific (excluding California)	36,200	33,800	673	1,776	2	5	934	2,639
California	39,000	33,100	1,673	6,153	4	19	849	3,678
48 States	1,639,100	903,450	13,226	59,251	1	7	551	4,480
Alaska	213	⁴ 1,722	5	⁵	2	—	⁴ 8,084	—
Hawaii	2,821	⁴ 2,254	82	805	3	36	⁴ 799	9,817
U.S. Total	1,642,134	907,426	13,313	60,056	1	7	553	4,511

¹ All farms having gross sales of \$2,500 or more. Estimates for 1968 projected from 1964 Census of Agriculture.

² County unit basis; i.e., corporations having operations in more than one county or State were counted at each such location. Number of corporations not strictly comparable with census number of farms.

³ Less than 0.5 percent.

⁴ 1964 Census of Agriculture.

⁵ Only 2 reported acres so total not estimated.

The geographic distribution of corporations with agricultural operations is shown in figure 1. Farming corporations were concentrated in large numbers in the California valleys and in Florida, Mississippi River Delta, and around the Great Salt Lake.

Type of Ownership and Control

The schedules of corporate firms obtained in the survey were classified as to type of ownership and control of the corporation; individual, family, or other. Many states allow one person to incorporate a business. Other States require a minimum of three, a requirement that can be met by designating members of the family as incorporators. Also, one stockholder may acquire dominant ownership and control sometime after incorporation by purchasing the majority of the voting stock.

Family ownership and control of corporations was the most common type found in the survey. Typically, such businesses are larger-than-average farms and ranches that have adopted the corporate form of business organization. To most observers, the nature and purpose of the business does not appear much

different from the partnership or sole proprietorship that existed before incorporation. Such business firms continue to operate much the same as before incorporation.

Family ownership and control of corporations with agricultural operations is not synonymous with "family farms." The family corporation often employs more than 1.5 man-years of hired labor (6, pp. 2-5). In addition, the family corporation may combine several families, such as brothers, uncles, and other relatives by blood or marriage, and include non-farm business activities which may or may not be more important than farming.

Grouped under "other corporations" are those not classified into either individual or family, including some owned by other corporations or controlled by any unrelated, large or small group of stockholders. Several subclassifications might have been developed for this group, such as publicly traded and non-publicly traded corporations, or corporations based on the number of stockholders.

Family owned and controlled corporations were the predominant type (about two-thirds) among those that were classifiable (table 2). The percentage

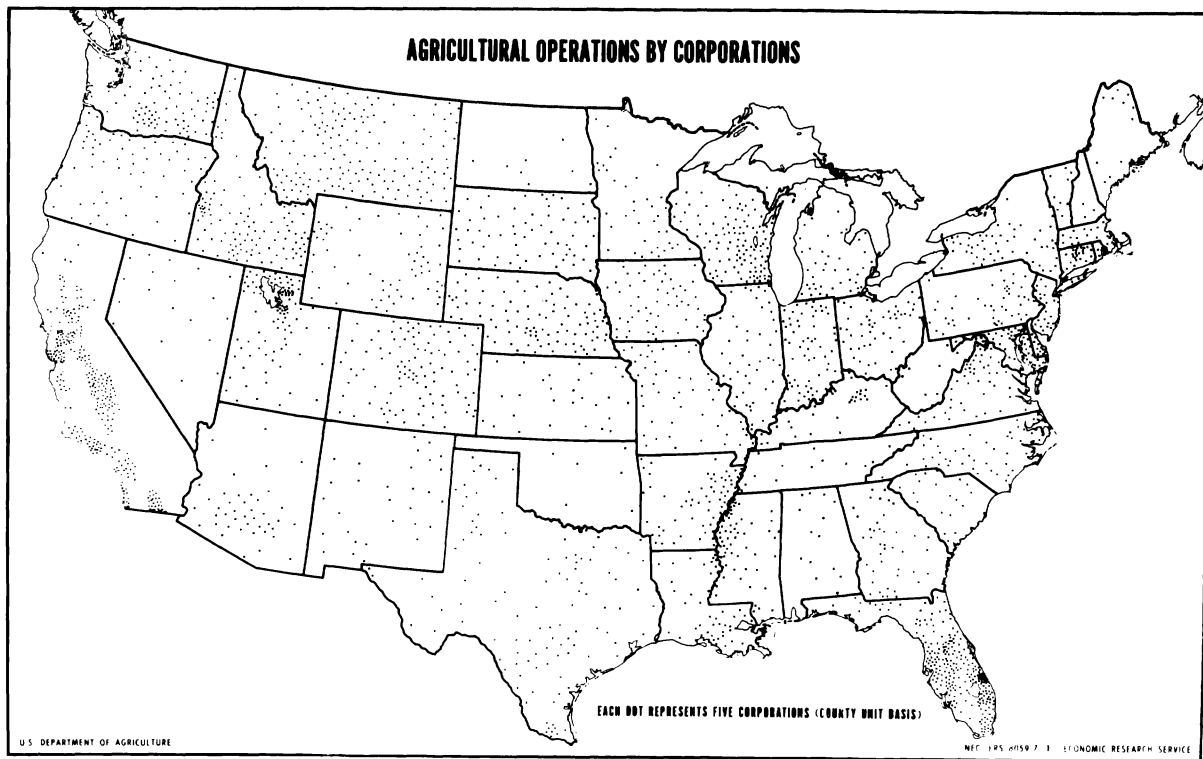


Figure 1

was very high (75 percent) in the Mountain States and Northern Plains.

The individually owned and controlled corporation accounted for 14 percent of the total in the 48 States. Regionally, the percentage was highest in California and Florida. The percentage of individually owned and controlled farming corporations varied greatly in other States, ranging as high as 31 percent in Tennessee and 25 percent in Nevada (appendix table 2). However, the percentage of the individual type of farming corporations was as low as 4 percent in Montana. Montana follows the model corporation code which requires only one incorporator, while Tennessee and Nevada require three incorporators (5).

Farming corporations classified as "other" accounted for a larger percentage of all corporations in the Lake States—26 percent, compared with 20 percent for the 48 States. In three regions—the Northeast, Northern Plains, and the Mountain States—the other types of corporations constituted only 16 percent of the total. The family-type corporations accounted for nearly three-fourths of the total in these regions.

Other corporations accounted for a larger proportion of estimated gross sales of agricultural products by corporations in 1967 than their proportionate number of farming corporations in the 48 States (fig. 2). There are some other indications that other types of corporations had larger farming operations than individual or family corporations. The distribution of gross sales shows that 17 percent of "other farming corporations" had sales of agricultural products of \$500,000 or more in 1967, compared with 11 percent for all corporations. However, approximately one-fourth of the other farming corporations had sales of less than \$20,000. These extremes indicate a bimodal distribution resulting from the inclusion of several different groups in the same class.

Many of the corporations of all three types with gross sales of agricultural products of less than \$20,000 had farming operations which were part of a local business. In many cases, the business was not directly related to agricultural production. A large proportion of the corporations owned and controlled by an individual combined a local nonagribusiness with farming (appendix table 3).

Table 2.—Number and distribution of farming corporations, by type and region, 48 States, 1968¹

Region	Type of corporation					Distribution by type ²		
	Individual	Family	Other	Unclassified ³	Total	Individual	Family	Other
	-----Number-----					-----Percent-----		
Northeast	133	794	183	68	1,178	12	72	16
Lake States	107	556	237	32	932	12	62	26
Corn Belt	147	871	312	47	1,377	11	66	23
Northern Plains	84	617	129	31	861	10	74	16
Appalachian	120	431	151	47	749	17	61	22
Southeast (excluding Florida) . . .	53	244	78	8	383	14	65	21
Florida	203	673	284	55	1,215	18	58	24
Delta States	123	518	156	38	835	15	65	20
Southern Plains	74	287	85	44	490	17	64	19
Mountain	236	2,071	430	123	2,860	9	75	16
Pacific (excluding California) . . .	62	424	125	62	673	10	69	21
California	363	838	285	187	1,673	25	56	19
48 States	1,705	8,324	2,455	742	13,226	14	66	20

¹ County unit basis; i.e., corporations having operations in more than one county or State were counted at each such location.

² Excluding unclassified.

³ Type of corporation was not reported.

TYPES OF FARMING CORPORATIONS*

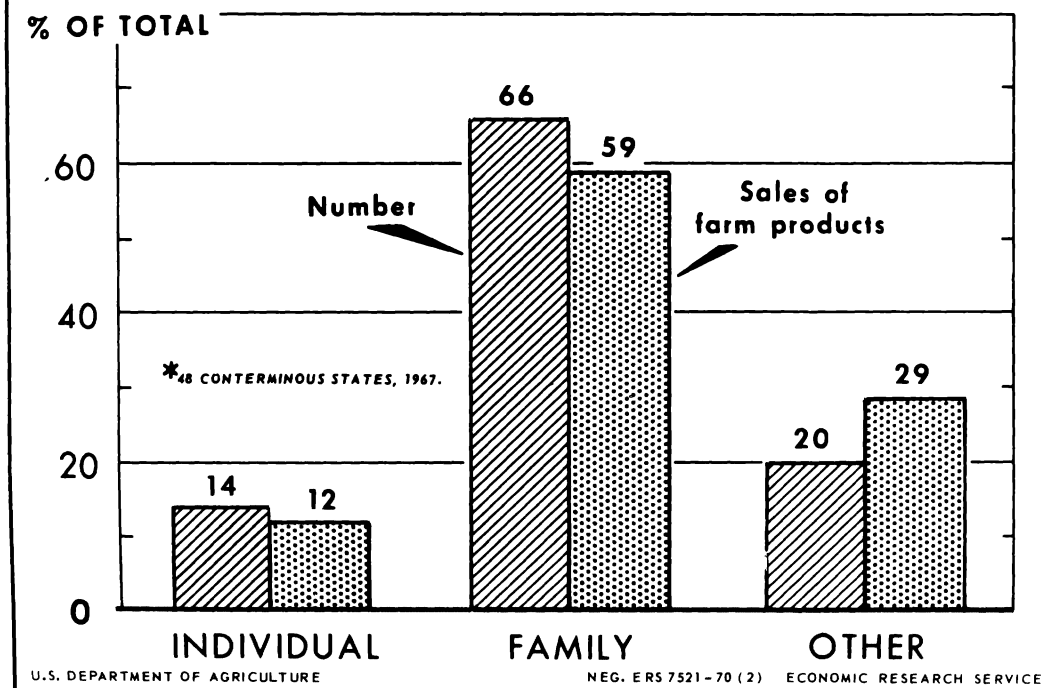


Figure 2

For a high proportion of the family corporations, farming was the only business activity—69 percent, compared with 48 percent for other types of corporations. Only 54 percent of corporations combining farming and nonagribusiness were family owned and controlled, while family corporations accounted for 67 percent of the total. Only a fourth of these corporations ranked farming as more important than the nonfarm business activity.

Other Business Activities of Farming Corporations

Farming was the only business activity for 63 percent of the farming corporations surveyed in the 48 States in 1968 (table 3). The percentage was 83 percent for the California corporations. The California percentage was higher than for other States, because several corporations have set up a separate subsidiary corporation for farming operations. For these subsidiary corporations, farming may be the

only business activity; but the parent company may be involved in other business activities. Also, in California, results of the mail survey showed that the farming operations of some small business corporations were being conducted by a shareholder outside the corporate structure. In the Appalachian and the Southeast States (excluding Florida), the percentages of farming corporations with farming as the only business activity were 43 and 45 percent, respectively. Conversely, more than half of the corporations with agricultural operations in these two regions combined some other business interests with farming.

For the 48 States, over a third (37 percent) of the corporations with agricultural operations also had business interests other than farming. Some 15 percent of all corporations had agribusiness interests, such as farm supplies or marketing or processing of farm products. Another 18 percent had business interests not directly related to farm production. Only 4 percent of the corporate firms combined farming with both agribusiness and nonagribusiness activities.

Table 3.—Extent of business interests of farming corporations, by region, 48 States, 1968

Region	Farming only	Farming plus —			Total
		Agribusiness ¹	Non-agribusiness ²	Combination ³	
		-----Percent-----			
Northeast	52	23	20	5	100
Lake States	50	23	22	5	100
Corn Belt	48	20	28	4	100
Northern Plains	65	14	18	3	100
Appalachian	43	20	31	6	100
Southeast (excluding Florida)	45	22	24	9	100
Florida	66	16	15	3	100
Delta States	63	17	16	4	100
Southern Plains	55	20	20	5	100
Mountain	75	7	15	3	100
Pacific (excluding California)	65	15	16	4	100
California	83	7	9	1	100
48 States	63	15	18	4	100

¹ Farm supplies, or marketing or processing of farm products.

² Business activities not directly related to production or marketing of farm products.

³ Both agribusiness and nonagribusiness.

The most common agribusiness activities of corporations reporting nonfarm business activities were as follows:

	Percent
Feed manufacture or sales	11
Livestock slaughter or processing	10
Fertilizer manufacture or sales	10
Farm machinery manufacture or sales	9
Fruit and vegetable processing and marketing	9
Livestock marketing	8
Grain marketing	5
Marketing of other crops	6

The above activities included businesses of local, regional, and national scope. However, most of the fertilizer and farm machinery businesses were of a local nature. More of the feed manufacturers and livestock processors tended to be regional or national in geographic sphere of operations. The inclusion of an agribusiness interest did not always imply vertical integration because the nonfarm business may not be very closely related to the farming activities.

Of the corporate firms that included a nonfarm business, most (48 percent) were various types of local nonagribusiness businesses. These included automobile dealerships grocery firms, laundries, and other local businesses. Most of the farming operations for these corporations were small—70 percent had less than \$100,000 sales of agricultural products, while 35 percent had sales of less than \$20,000. Farming was ranked as a secondary business interest for 83 percent of the corporations combining a local business and farming. Probably many of these were rural residences, part-time farms, or small local investments. Several of these may not even be included within the corporate structure, but held separately by the major stockholder under private ownership. In some cases, the survey procedure was unable to determine whether the farm was a part of the corporation.

A small portion of the farming corporations reporting nonfarm business included a regional or national business (2 percent), local profession (5 percent), or a business converting land from farming to other uses (4 percent). This last group included mining, housing, and commercial developments. In

addition to corporations directly converting land from farming to nonfarm purposes, many corporations probably hold land for future business uses such as plant sites. More than likely, more of these firms rent their farmland to others than have direct operations. These were not reported.

When a corporation combined farming with other business activities, farming was not generally the major activity. In 1967, farming was the major business activity for 72 percent of the corporations in the 48 States (fig. 3). The differences between ranks of second, third, or less have only minor significance because some corporations had only one other business activity, while others had several. Also, certain marketing and nonfarm business activities were grouped, so that only one of each could be coded. In California, farming tends to be the major business activity, with only 10 percent of the corporations ranking farming as a secondary activity (table 4). Farming was a secondary activity for over

two-fifths of the corporations in the Appalachian States, the Corn Belt, and the Southeast, excluding Florida.

Sales of Farm Products

Precise estimates of farm products sales produced by corporations were not obtained directly in the survey; therefore, an approximation was made. The approximation was calculated using the mid-points of the class intervals of sales. Average sales for farms grossing \$500,000 or more were based on data from the 1964 Census of Agriculture. This average was increased by a percentage to recognize the probable increase in average sales of this group since 1964. The total estimated sales of farm products in the 48 States were estimated at \$3.3 billion in 1967, or 8 percent of the total for all farms.

RANK OF FARMING AMONG BUSINESS ACTIVITIES OF CORPORATIONS, 48 STATES, 1968

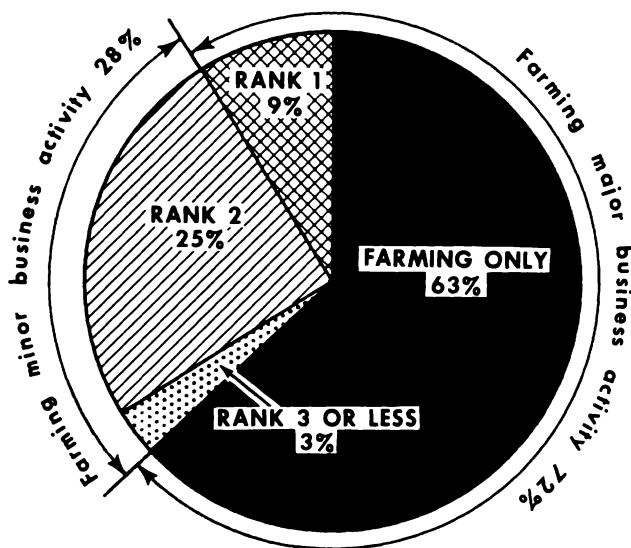


Table 4.—Rank of farming among business activities of corporations, by region, 48 States, 1968¹

Region	Farming major activity			Farming secondary activity			Total
	Farming only	With other activity	Total	Farming ranked		Total	
				2nd	3rd or lower		
	-----Percent-----						
Northeast	52	9	61	33	6	39	100
Lake States	50	10	60	35	5	40	100
Corn Belt	48	10	58	38	4	42	100
Northern Plains	65	9	74	23	3	26	100
Appalachian	43	10	53	41	6	47	100
Southeast (excluding Florida)	45	13	58	35	7	42	100
Florida	66	10	76	22	2	24	100
Delta States	63	13	76	21	3	24	100
Southern Plains	55	9	64	30	6	36	100
Mountain	75	6	81	17	2	19	100
Pacific (excluding California)	65	10	75	22	3	25	100
California	83	7	90	9	1	10	100
48 States	63	9	72	25	3	28	100

¹Gross sales basis for relative rankings.

The regional estimates of total gross sales of agricultural products accounted for by corporations are as follows:

	Percent
Northeast	8
Lake States	4
Corn Belt	2
Northern Plains	4
Appalachian	4
Southeast	13
Delta States	9
Southern Plains	3
Mountain	16
Pacific	23
48 States	8

The percentage of gross sales of farm products by farming corporations is not directly proportional to the percentage of farms. The averages for the Southeast and Pacific are weighted by the larger operations in Florida and California, respectively.

The corporate farming operations in California were particularly large. About 30 percent of the farming corporations had farm product sales of \$500,000 or more, compared with 11 percent for the 48 States as a whole (table 5). Only 5 percent of the

farming corporations of the Lake States and 6 percent of the farming corporations in the Mountain States and Corn Belt regions had sales of \$500,000 or more.

The modal group for the 48 States and most regions was that with sales of farm products of \$40,000-\$99,999, except in California, the Delta, and the Appalachian States. More than a third (35 percent) of the farming corporations in the Appalachian States had farm product sales of less than \$20,000, and half had sales of less than \$40,000.

The farming activities of corporations with non-agribusiness interests tended to be significantly smaller than the remaining farming corporations (table 6). Nearly two-fifths (39 percent) had sales of farm products of less than \$20,000. More than half (55 percent) had sales of farm production of less than \$40,000. Most of these were local business corporations and farming was usually a secondary business activity. Corporations with agribusiness interests, either alone or in combination with non-agribusinesses, tend to have somewhat larger farming operations. About a fifth of the corporations with agribusiness interests sold \$500,000 or more of farm products in 1967.

Table 5.—Farm product sales of corporations, by region, 48 States, 1967¹

Region	Gross sales of farm products						Total
	Less than \$20,000	\$20,000-\$39,999	\$40,000-\$99,999	\$100,000-\$199,999	\$200,000-\$499,999	\$500,000 or more	
	<u>Percent</u>						
Northeast	17	13	28	18	14	10	100
Lake States	25	17	28	15	10	5	100
Corn Belt	25	18	26	16	9	6	100
Northern Plains	19	20	26	15	10	10	100
Appalachian	35	15	21	14	8	7	100
Southeast (excluding Florida) .	23	13	22	17	14	11	100
Florida	25	16	21	14	13	11	100
Delta States	11	11	24	28	17	9	100
Southern Plains	29	10	28	14	9	10	100
Mountain	16	21	31	17	9	6	100
Pacific (excluding California) .	12	19	30	17	14	8	100
California	8	8	17	17	20	30	100
48 States	19	16	25	17	12	11	100

¹County unit basis; i.e., corporations with farming operations in more than one county enumerated separately except in California. See Methodology, p. 19.

Table 6.—Farm product sales of corporations by extent of business interests, 48 States, 1967¹

Gross sales of farm products	Farming only	Farming plus —		
		Agribusiness ²	Nonagribusiness ³	Combination ⁴
	<u>Percent</u>			
Less than \$20,000	14	15	39	16
\$20,000-\$39,999	17	12	16	12
\$40,000 - \$99,999	29	21	20	21
\$100,000 - \$199,999	18	17	11	17
\$200,000 - \$499,999	13	16	8	13
\$500,000 or more	9	19	6	21
Total	100	100	100	100
	<u>Number</u>			
Corporations reporting	7,098	1,642	2,031	405

¹County unit basis; i.e., corporations having operations in more than one county or State were counted at each such location.

²Farm supplies, or marketing or processing of farm products.

³Business activities unrelated to production or marketing of farm products.

⁴Both agribusiness and nonagribusiness.

Labor Employed

Farming corporations employed substantial amounts of labor. The average was 12 employees working 6 months or more in 1967, of which about

one-third were stockholders or members of stockholder families. These employees were categorized as managers who were major stockholders, other managers, other stockholders, nonmanaging family members, and other hired workers. Other hired

workers employed 6 months or more were reported by 80 percent of the farming corporations, the average here was 13. Even 72 percent of family corporations with farming as the only activity reported other hired workers, in this case, the average was 10 per corporation.

These figures may be slightly high because a special tabulation seemed to indicate that some labor used in nonfarm activities was probably included. Since it was not possible to allocate the workers between farm and nonfarm, only limited analysis of the data was possible. However, some analysis relating to labor utilization by corporations is possible where farming is the only business activity.

For corporate units where farming was the only business activity, the average number of all workers by gross sales of farm products was as follows:

Gross sales of farm products	Average number of workers
Less than \$20,000	3
\$20,000-\$39,999	4
\$40,000-\$99,999	5
\$100,000-\$199,999	8
\$200,000-\$499,999	15
\$500,000 or more	49
All classes	11

The above numbers indicate an increasing average sales per employee as the number of total employees is increased. The estimates are only approximations,

but average marginal productivity in terms of agricultural sales by added employees continued to increase slightly throughout all classes. However, no data are available to determine the level of capital for the different sizes of operations, and the increased productivity of labor may result from increased capital relative to labor.

The composition of labor used varied considerably by regions. In the Corn Belt, only 54 percent of the corporations engaged only in farming reported other hired workers in 1967 (table 7). In the Delta States, 91 percent had other hired workers. In the Northern Plains and Mountain States, over half (53 and 54 percent) of the farming corporations reported other stockholders and their family members working in nonmanagerial positions. For most regions, the percentage was from 30 to 38. Other stockholders and their family members were reported by only 26 percent of the California farming corporations.

For the 48 States, the work force of corporations with farming as the only business activity was composed of 77 percent regular hired workers (those not related to ownership), 14 percent managers, and 9 percent nonmanaging stockholders and their families (table 8). In California, other hired workers accounted for 89 percent of the employees of farming corporations. In the Mountain States, other hired workers formed 55 percent of the total labor force. In the Northern Plains, regular hired workers were only 41 percent of the total, while other stockholders

Table 7.—Managers and hired labor reported by corporations engaged only in farming, by region, 48 States, 1967

Region	Managers ¹		Hired labor ¹	
	Stockholders	Other	Stockholders and family	Other
	<hr/> -----Percent----- <hr/>			
Northeast	78	20	37	83
Lake States	66	18	36	59
Corn Belt	59	17	35	54
Northern Plains	57	13	53	62
Appalachian	54	28	35	80
Southeast (excluding Florida) ..	71	31	34	89
Florida	75	34	17	79
Delta States	68	40	30	91
Southern Plains	51	24	38	80
Mountain	65	15	54	68
Pacific (excluding California) ..	65	22	38	71
California	77	43	26	89
48 States	68	25	38	74

¹Percentages do not add to 100 because some corporations employed all types or more than one type.

and their families composed a third of the labor force. Most of these corporations were closely held by family groups.

Management

Nearly two-thirds (63 percent) of the farming corporations had managers who were major stockholders or members of a major stockholder's family. Another third of the farming corporations had managers who were not related to ownership, while several corporations employed both kinds of managers. The average was two managers per corporate county unit. Managers could not be classified as to the specific management function they perform. In the case of the larger operations, there is often a resident manager in each operating unit, and also additional levels of management in the central office.

For all corporations, management accounted for 13 percent of the labor force. Of course, on smaller operations the corporate managers did not devote full time to management functions, but often served as part of the regular labor force. Some firms (18 percent) reported no management, but probably reported managers with workers since most of these firms were small. Also, some firms were small citrus groves, which were operated under contract with complete grove services.

The percentage of farming corporations with combined ownership and management is probably much higher than that found in corporations in other

sectors of the economy. Two reasons are the smaller size of most farming corporations and the large percentage of closely held corporations in which the owners are directly involved in management.

Management by major stockholders or their families was most common (70 percent) for family-owned farming corporations. Only 38 percent of other types of farming corporations had managers closely related to the ownership. Managers constituted 15 percent of the farm labor force for family corporations, 14 percent for individual, and only 9 percent for other types of farming corporations. Corporations with farming as the only business interest tended to combine ownership and management more frequently than farming corporations with more complex business interests.

Acres Operated

In the 48 States, corporations with agricultural operations owned and rented an average of 4,480 acres in 1967. This average was influenced by the Mountain States which contained over half of the land in corporate farming organizations in the 48 States (table 1). In the Mountain States, farming corporations averaged 11,423 acres per corporate unit. The average per corporation was only 653 in the Northeast and 790 in the Lake States; but nevertheless, these averages were three times those of commercial farms in the region.

Table 8.—Distribution of employees of corporations engaged only in farming, by region, 48 States, 1967

Region	Managers			Hired labor			Total employees
	Stockholders	Other managers	All managers	Stockholders and family	Other	All hired labor	
	<u>Percent</u>						
Northeast	9	2	11	6	83	89	100
Lake States	22	5	27	16	57	73	100
Corn Belt	20	5	25	19	56	75	100
Northern Plains	22	4	26	33	41	74	100
Appalachian	11	5	16	10	74	84	100
Southeast (excluding Florida) ..	9	4	13	6	81	87	100
Florida	13	6	19	4	77	81	100
Delta States	9	5	14	7	79	86	100
Southern Plains	11	5	16	19	65	84	100
Mountain	17	4	21	24	55	79	100
Pacific (excluding California) ..	17	5	22	18	60	78	100
California	6	3	9	2	89	91	100
48 States	10	4	14	9	77	86	100

More than half (58 percent) of the farming corporations utilized less than 1,000 acres per unit (table 9). However, 71 percent of land operated by farming corporations was concentrated in operations with 10,000 or more acres per unit. These large acreage corporations accounted for only 8 percent of all farming corporations. The corporations having 10,000 acres or more were chiefly large livestock ranches located in the Western States. In the Mountain States, a fourth of the corporate operations contained over 10,000 acres and accounted for 83 percent of the land in corporations in that region. In fact, 10 percent of the corporations had 25,000 acres or more per corporate county unit in the Mountain States, with an average of 73,000 acres and 64 percent of the acreage in corporations with agricultural operations in the Mountain States and 35 percent of the total for the 48 States in 1968.

Most corporations tended to own all the land they farmed (table 10). For the 48 States as a whole, 69 percent owned all the land they farmed, while only 7 percent rented all the land farmed. The percentage owning all land farmed was the greatest (85 percent) for individually owned and controlled corporations that also had nonagribusinesses. The percentage of corporations owning all land farmed was lowest (63 percent) for family corporations engaged only in farming. The family corporations more often combined ownership and rental of land than did other types of corporations. Regionally, the percentage of corporations owning all land farmed was highest in Florida where 87 percent of all corporations and 90 percent of the individually owned corporations owned all the land farmed.

No consistent pattern was evident among regions, or by type of corporation, in the average acreages operated under various tenure arrangements (table 10). However, in most regions the part-owned, part-rented operations tended to control larger acreages. Much of the variation is associated with the kinds of crops or livestock enterprises involved. Deciduous fruits in the Northeast, and citrus in Florida, for example, are seldom grown on rented land. However, livestock ranches in the West and elsewhere usually contain both owned and rented land. Relatively little acreage is involved in specialized poultry operations; this acreage is predominantly owned because of the substantial investment in buildings and equipment.

Age of Farming Corporations

The rate of growth of the corporate form of business organization in agricultural production

cannot be assessed directly from this cross-sectional survey since rates of entry and exit could not be determined. The survey sought to determine when the existing firms began farming as a corporation. The firm may have been incorporated before this date but not yet engaged in farming. More frequently, however, the firm had been in existence for a number of years before becoming incorporated.

The survey indicated that 8 percent of the firms first began farming as a corporation in 1967 or 1968 (table 11). The Southern Plains, the Delta States, and the Northern Plains had the highest percentage of "young" farming corporations. The Northeast had the "older" farming corporations; here, 57 percent initiated farming as a corporation before 1960 and only 6 percent initiated farming in 1967 and 1968.

Table 12 also shows that corporations with farming as the only business activity tended to be formed more recently. The agribusiness corporations tend to be the older farming corporations. However, the corporations that combined both agribusiness and nonagribusiness had the largest proportions of corporate farming organizations established before 1960.

Considerable variation existed among regions (appendix table 8). About 60 percent of the farming corporations in the Corn Belt and 69 percent in the Northern Plains were formed since 1959. These data probably reflect the numbers of larger-than-average "family farms" that have incorporated. In the Appalachian States, Florida, and the Delta States, 72 percent, 79 percent, and 73 percent, respectively, of the corporations combining farming, agribusiness, and other business had begun farming as a corporation before 1960.

Commodities Produced

More corporations were involved in crop production (86 percent) than livestock production (56 percent) in 1967. For the 48 States, 42 percent of the corporations produced both crops and livestock. Fourteen percent of all farming corporations produced only livestock without any crops; however, 44 percent produced crops but no livestock.

California farming corporations tended to specialize in crop production; 71 percent had crops without livestock. Corporations in the Mountain State had more livestock operations; 74 percent had some livestock, and 58 percent combined both livestock and crops. More than half the corporations in the Corn Belt, Northern Plains, Appalachian,

Table 9.—Percentage distribution of farming corporations and areas operated, by region, 48 States, 1968

Acres operated	Northeast		Lake States		Corn Belt		Northern Plains		Appalachian		Southeast (excluding Florida)		Florida	
	Total corpora- tions	Total acreage	Total corpora- tions	Total acreage	Total corpora- tions	Total acreage	Total corpora- tions	Total acreage	Total corpora- tions	Total acreage	Total corpora- tions	Total acreage	Total corpora- tions	Total acreage
	<hr/> Percent <hr/>													
Less than 100 . . .	12	1	10	1	11	1	4	1	13	1	10	1	18	1
100 - 499	52	20	43	15	37	11	19	1	35	7	30	5	32	3
500 - 999	20	20	25	22	26	20	16	3	21	11	18	8	18	4
1,000 - 1,999 . . .	11	21	14	23	18	26	17	6	18	18	19	16	12	5
2,000 - 4,999 . . .	5	20	7	25	7	26	20	14	9	19	16	26	10	9
5,000 - 9,999 . . .	1	4	1	8	1	9	12	19	2	12	4	17	5	10
10,000 or more . .	1	14	1	6	1	7	12	57	2	33	3	28	5	69
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Acres operated	Delta States		Southern Plains		Mountain		Pacific (excluding California)		California		48 States	
	Total corpora- tions	Total acreage	Total corpora- tions	Total acreage	Total corpora- tions	Total acreage	Total corpora- tions	Total acreage	Total corpora- tions	Total acreage	Total corpora- tions	Total acreage
	<hr/> Percent <hr/>											
Less than 100 . . .	4	1	5	1	4	1	10	1	26	1	11	1
100 - 499	14	1	24	1	14	1	29	3	27	2	29	1
500 - 999	22	7	18	1	13	1	18	4	14	3	18	3
1,000 - 1,999 . . .	25	14	14	2	12	2	13	7	11	4	15	5
2,000 - 4,999 . . .	25	31	19	6	19	6	15	17	12	10	13	10
5,000 - 9,999 . . .	6	16	8	6	14	8	9	20	4	8	6	10
10,000 or more . .	4	31	12	84	24	83	6	49	6	73	8	71
Total	100	100	100	100	100	100	100	100	100	100	100	100

¹Less than 0.5 percent.

Table 10.—Distribution of corporations and average acres operated, by tenure and by region, 48 States, 1968

Region	Percentage of corporations				Average acres operated		
	Owned only	Rented only	Part owned, part rented	Total	Owned only	Rented only	Part owned, part rented
	<u>Percent</u>				<u>Acres</u>		
Northeast	76	2	22	100	514	1,217	1,012
Lake States	81	4	15	100	700	1,704	1,165
Corn Belt	82	3	15	100	880	696	1,237
Northern Plains	59	8	33	100	2,635	2,589	7,582
Appalachian	78	4	18	100	1,211	1,477	1,634
Southeast (excluding Florida) ..	80	4	16	100	2,138	660	2,451
Florida	87	6	7	100	2,821	1,210	8,987
Delta States	70	9	21	100	2,351	2,131	3,001
Southern Plains	68	13	19	100	9,222	11,699	7,695
Mountain	61	4	35	100	6,519	4,595	20,145
Pacific (excluding California) ..	57	11	32	100	2,363	2,370	3,556
California	49	18	33	100	3,000	1,518	5,800
48 States	69	7	24	100	2,948	2,636	9,305

Table 11. Distribution of corporations by year firm began farming as a corporation, by region, 48 States, 1968¹

Region	Year began farming as a corporation			
	Before 1960	1960-66	1967-68	Total
	<u>Percent</u>			
Northeast	57	37	6	100
Lake States	52	40	8	100
Corn Belt	40	51	9	100
Northern Plains	31	56	13	100
Appalachian	49	42	9	100
Southeast (excluding Florida) ..	50	41	9	100
Florida	52	41	7	100
Delta States	42	45	13	100
Southern Plains	33	53	14	100
Mountain	50	43	7	100
Pacific (excluding California) ..	39	53	8	100
California	47	49	4	100
48 States	46	46	8	100

¹The year incorporated if the firm began farming first; the year began farming if the firm was incorporated first; or both events may have occurred in the same year.

Table 12.—Distribution of corporations by extent of business interests and year firm began farming as a corporation, 48 States, 1968

Extent of business interest	Year began farming as a corporation			
	Before 1960	1960 - 66	1967 - 68	Total
	-----Percent-----			
Farming only	42	49	9	100
Agribusiness	59	36	5	100
Nonagribusiness	48	44	8	100
Combination	63	29	8	100
Total	46	46	8	100

¹ The year incorporated if the firm began first; the year began farming if the firm was incorporated first; or both events may have occurred in same year.

Southeast (excluding Florida), and Mountain States combined both crop and livestock production.

In 1967, corporations with agricultural production in the United States produced an average of 3 commodities per unit. Corporations averaged 2.3 crops and 1.7 types of livestock per unit.⁴ The Corn Belt farming corporations averaged 3.7 commodities, with an average of 2.1 types of livestock and 2.7 crops per unit reported. The Southeast (excluding Florida) averaged the most crops—3.1 per unit. Florida's farming corporations tended to be more specialized, having only an average of 1.5 commodities per unit. The average number of crop and livestock enterprises was also the lowest in Florida, averaging 1.2 and 1.4, respectively.

Crops Harvested

The estimates of major crops reported in the survey totaled 9.5 million acres or 16 percent of the estimated acreage farmed by corporations in 1967. A large percentage of this acreage was located in the Mountain and Pacific regions. California corporations harvested more than a fifth of the cropland harvested by corporations in the 48 States.

Corporations in the 48 States harvested an average of 831 acres of crops (appendix table 9). This compares with an average of 156 acres for 1964 Census of Agriculture farms with sales of \$2,500 or more. Corporations in the Delta region harvested an

average of 1,464 acres of crops, while corporations in the Appalachian region harvested an average of only 365 acres.

For the 48 States in 1967, hay was the most common crop and occupied the greatest portion of corporation crop acreage (table 13). Forty-nine percent of all corporations reported hay, which accounted for 19 percent of total crop acreages of corporations. Hay was an important crop in all regions except Florida and the Delta States (appendix table 9). The largest acreages of hay (42 percent of total acres) were reported in the Mountain States, the large amounts of hay here were associated with livestock ranches.

Table 13.—Major crops: Percentage of corporations reporting and average acreage, 48 States, 1967

Crops	Corporation	Average acreage
	—Percent—	—Acres—
Corn	35	255
Wheat	29	324
Other grains	38	372
Soybeans	17	459
Hay	49	324
Sugarbeets	5	233
Sugarcane	2	1,807
Cotton	11	457
Potatoes	5	400
Citrus	8	313
All crops	86	831

⁴ These figures add to more than the average of three commodities. Some corporations had both crops and livestock, while others had only one.

The next most frequently reported group of crops was grains—sorghum, barley, oats, rye, and rice—which were reported on 38 percent of the farms and occupied 17 percent of the crop area. Corn, also a leading crop, was reported by 35 percent of the corporations and occupied 11 percent of the total crop area. Large acreages of corn were grown by corporations in the Corn Belt.

The regional cropping pattern presented considerable variation. Fruit occupied a third and vegetables an additional 22 percent of the cropland farmed by corporations in the Northeast. In the Lake States, 30 percent of the crop acreage was in vegetables, while corn occupied 24 percent. Corn and soybeans accounted for 72 percent of the crop acreage harvested by corporations in the Corn Belt region in 1967. In Florida, the most important crops, in terms of land area, were citrus, sugarcane, and vegetables, occupying 81 percent of the crop area. More than half of the cropland harvested by corporations in the Delta States was in soybeans, while only 17 percent was in cotton. Farming corporations in the Southern Plains, chiefly Texas, harvested small grain, including wheat, on 52 percent of the total cropland. In the Mountain region, 42 percent of the cropland harvested was in hay and 24 percent in wheat. In the Pacific region, excluding California, corporations harvested a wide variety of crops, but wheat accounted for 44 percent of the crop acres.

Family owned and controlled corporations harvested 85 percent of the wheat acreage, 70 percent of the corn acreage, and 72 percent of the hay acreage harvested by all corporations. However, family corporations had a lower proportion of other grains. Individual corporations had disproportionately large shares of sod, lettuce, melons, and carrots. Other types of corporations had disproportionately larger shares of tree fruits, specialty crops, canning vegetables, sugarcane, and tobacco (chiefly cigar types). Other corporations harvested a small proportion of all grains. Individual corporations generally had smaller acreages of individual crops than family corporations; other corporations tended to have the highest average of most crops.

Corporations whose business activities were limited only to farming tended to specialize in wheat, other grains, and cotton, whereas corporations that included agribusiness interests tended to produce more tobacco (chiefly cigar types), canning vegetables, and certain specialty crops. Corporations with only nonagribusiness interests tended to produce proportionately more corn and hay.

Agribusiness firms tended to specialize more in commodities where quality control or coordination of the product flows were important in subsequent processing and marketing stages. Corporations having farming as the only business activity tended to produce crops that are storable with less quality variation and crops to be used on the farm, such as feed. Farming corporations with nonagribusiness interests tended to produce proportionately more orchard crops because the income tax advantages make them attractive investments. Corn and hay are common crops grown on small farms operated by local businessmen and frequently combined with beef cows.

Many of the citrus groves were on operations having less than \$20,000 gross sales of farm products. In many cases, the groves were still in the development stages when the greatest tax advantages occur. However, even the acreage of citrus groves of bearing age were often small. Corporations with farm product sales of \$500,000 or more grew more than half of the corporate acreages of sugarcane, tobacco, cranberries, grapes, miscellaneous fruit, several vegetables, and miscellaneous crops. These large corporations harvested 35 percent of the crop acreage of all corporations. Medium-size corporate farming operations with farm product sales from \$40,000 to \$500,000 tended to specialize more often in corn, wheat, soybeans, hay, and deciduous fruit. These specializations should not be taken as indications of economies associated with size in production of these commodities unless one considers the entire setting of production, including marketing and position of the crop among other crops and livestock enterprises within the firm.

Livestock

Beef cow herds were the most frequently reported livestock enterprise by corporations, several of which also reported yearling and fed cattle (table 14). Beef cow herds were common in all regions (appendix table 11). The average number of beef cows per corporate county unit was 452 for the 48 States. The number of beef cows ranged from less than 200 in the Northeast, Lake States, Corn Belt, and Appalachian regions to more than 500 head in the Mountain States, Pacific region, (excluding California), Florida, and California.

Fed cattle were ranked second in frequency of reports. Many of these were feedlot operations on small acreages. The number of cattle fed per unit was

Table 14.—Major livestock enterprises: Percentage of corporations reporting and average head, 48 States, 1967

Livestock	Corporations reporting	Average number
	—Percent—	—Head—
Beef cows	34	452
Yearling cattle	10	429
Cattle fed	19	2,363
Cows milked	11	178
Hogs	7	759
Sheep	5	3,169
Broilers (1,000)	2	1,076
Laying hens (1,000)	5	155
Turkeys (1,000)	2	195
Horses	4	36
Percentage reporting any livestock	56	—

large; for the 48 States, the average was 2,363 head per corporate county unit. In the Southern Plains and California, the average size of these operations was about 7,000 head fed per year.

Milk cows were frequently reported on corporate operations. Eleven percent of the corporate county units in the 48 States had milk cows in 1967, with an average of 178 cows per unit. Units were particularly large in Florida, with an average of 854 milk cows, and in California, with an average of 409 milk cows. Many of the California dairy operations were on drylots with purchased feed. The Lake States averaged only 76 milk cows per unit, while the Corn Belt averaged 92 cows per unit.

Hog enterprises were reported on 7 percent of the corporate units, each of which had an average of 759 market hogs in 1967. Hog enterprises were generally not large, but a few in the Southern Plains averaged slightly over 3,000 head.

Although not as frequently reported as other kinds of livestock, poultry operations—broilers, laying hens, and turkeys—were usually large in all regions. The average number of laying hens per unit was 155,000 for the 48 States. Regionally, the number of laying hens per unit ranged from 47,000 to 384,000. Broiler operations were reported by fewer corporations than laying hens. Broiler operations were concentrated in the Northeast, Southeast, Delta States, and Appalachian regions. In these regions, the average number of birds sold per corporate unit was as high as

2 million in the Delta States. Only 2 percent of farming corporations reported turkeys; however, corporate units averaged 195,000 turkeys in 1967. Most of the turkey units were located in the Lake States, Corn Belt, and Appalachian regions.

Family owned and controlled corporations tended to have a larger proportion of livestock enterprises, whereas other types of corporations more often tended to specialize in crop production. Some exceptions were found to this generalization. The milking of cows tended to be centered on family owned corporations. However, poultry operations were more often conducted by corporations that were involved in the manufacturing of feed or in broiler processing. In nearly all cases, the average number of livestock of family owned corporations was greater than those of individually owned and controlled corporations. In turn, other types of corporations had the largest livestock enterprises.

The largest corporate operations, those having \$500,000 or more in sales of products, were more frequently engaged in egg production and cattle feeding. These largest corporations reported 85 percent of the cattle fed, but only 23 percent of the beef cows. The largest corporations reported 91 percent of the broilers, 82 percent of the laying hens, and 78 percent of the turkeys. The medium-size corporations, those with farm product sales of \$40,000 to \$500,000, had the larger proportions of the cows milked, hogs sold, yearling cattle sold, and sheep sold. Small corporate units, those with farm product sales of less than \$40,000, more often had beef cow herds.

Corporations that included agribusiness interests had proportionately larger shares of broilers and egg production. However, more cows were milked by corporations where farming was the only business activity. Also, they fed a larger proportion of the beef cattle. A large proportion of corporations that had nonagribusiness activities maintained beef cow herds. Many of these were local businessmen who owned a small farm or ranch. These corporations probably favored beef cow operations because of the low labor requirements, the prestige of cattle ownership, and the favorable tax treatment given to breeding livestock.

California Farming Corporations

The California mail survey was conducted because the number of schedules collected in California from the ASCS survey seemed to be inadequate. In several

counties, the concentration of a large number of operations made it difficult for county offices to obtain the desired information. A direct mail survey was undertaken. Names and addresses of corporations with agricultural operations were compiled from the California Franchise Tax Board, a list of large producers from SRS, and the ASCS survey. The lists were merged and the duplicates were eliminated. A summary of the survey is given in appendix table 11.

A mail response rate of 76 percent was obtained from 2,525 names on the mailing list. In June 1969, an enumerated followup survey of 164 corporations was conducted and used to estimate the mail non-response. From the response, 36 percent were rejected as nonqualifying for the following reasons:

	<u>Percent</u>
No agricultural operations	32
Not incorporated	21
Liquidated	17
All land rented out	16
Inactive	10
All agricultural operations	
out of State	3
Other reasons	¹
Total	<u>100</u>

¹ Less than 0.5 percent.

A total of 1,673 California corporations with farm operations was estimated for 1968. The farming corporations accounted for only 4 percent of all commercial farms in California, but probably accounted for approximately one-fourth of the sales of farm products in the State. California farming corporations accounted for more than one-fourth of the total sales of farm products by corporations in the 48 States. Corporations conducted farming operations on 18 percent of the land in commercial farms in California in 1968.

Some new questions, not used in other States, were added to the California mail questionnaire to provide specific information on corporation organization. The data presented in table 15 show the controlling interest and the number of stockholders in the corporation. Three-fourths of the California farming corporations had five or less stockholders. Ninety percent had less than 10 stockholders and only 2 percent had 90 stockholders or more.

Families owned controlling interests in more than half of the California farming corporations, and in another fourth an individual owned the controlling

interest. About 12 percent of the farming corporations were owned by a group of unrelated persons, and 4 percent were owned by another corporation. Several of these corporations also had other shareholder groups with minor interests, and about 65 percent of the minor shareholder groups in individually controlled corporations were family members. Four-fifths of the farming corporations that were owned by another corporation were wholly owned subsidiaries while the remainder had some minor stockholders.

Some of the corporations on the mailing list seemed to be interrelated; therefore, a special multicorporation list was developed for 31 cases. Multicorporations having similar names and the same address were sent special instructions and a questionnaire for each corporate name. During the processing of the schedules additional multicorporations were discovered, but no attempt was made to tabulate data from multicorporations.

Multicorporations may have several alternative organizations. For tax purposes and other reasons, the business firm complex may be divided into several related corporations. For instance, a multicorporation organization may divide into several corporations with essentially the same ownership, or a subsidiary corporation may be established. Also, several corporations can be owned by a holding company.

In California, 4 percent of the corporations were owned by another corporation. Also, 5 percent of corporations with minor stockholder groups had other corporations with minor interests. A few California farming corporations were divided along functional lines with one corporation owning the land, another owning the machinery, and a third conducting the business operations. Other farming corporations were divided with a separate corporation for each enterprise, such as crops, poultry, cattle feedlot, and slaughter plant. Some had separate corporations for different locations, while one multiple corporation was simply named Dairy Farm Number 1, Dairy Farm Number 2, and Dairy Farm Number 3. The partitioning of some corporations was probably more for accounting purposes than for operating reasons.

California corporations reported the operation of an average of 2.2 units within the State. However, 66 percent reported only one operating unit. Several corporations reported that they operated in more than one county, the average being 1.4 counties per corporation. Still, 78 percent of the farming corporations reported operating in only one county. Less

Table 15.—California: Shareholders in farming corporations by controlling interests, 1968

Number of stockholders	Controlling interest held by—					
	Individual	Family	Unrelated persons	Another corporation	Combination	Total
	-----Percent-----					
1	35.4	.3	2.1	58.3	5.4	12.3
2	16.6	22.9	21.5	2.1	20.3	20.1
3	17.5	20.6	16.5	6.2	23.0	19.0
4	8.8	18.5	15.7	10.4	12.2	14.9
5	7.8	10.7	5.7	2.1	10.8	9.1
6	3.9	7.6	5.7	—	9.6	6.2
7	3.2	2.6	6.5	—	4.0	3.2
8	1.9	3.9	2.1	2.1	2.7	3.0
9	1.6	2.6	2.1	4.2	—	2.2
10-19	2.3	5.8	5.7	6.2	4.0	4.8
20-29	1.0	2.1	2.9	2.1	4.0	2.0
30-89	—	1.8	2.8	2.1	—	1.2
90 or more	—	.6	10.7	4.2	4.0	2.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
	-----Number-----					
Corporations reporting . . .	308	621	140	48	74	1,191
	-----Percent-----					
Percentage distribution .	25.9	52.1	11.8	4.0	6.2	100.0

than 5 percent of the farming corporations reported operations outside of California. These corporations averaged 3.2 units in other States, with 54 percent reporting only one unit outside of California. Some of the farms in California were operated by the corporations with headquarters in another State.

Most California firms reported that they were incorporated and began farming at about the same time. Of 1,156 corporations replying to both questions, 653 firms reported being incorporated and beginning farming in the same year.⁵ Some 244 of the remainder were incorporated before they initiated farming activities; however, 72 incorporated only during the year before they began farming. Another

259 firms were farming 1 or more years before incorporation.

The cross tabulation identified a group of 53 farming corporations that began farming from 1910 to 1930 and that were incorporated in the 10 years from 1958 to 1968. Also, 25 began farming from 1946 to 1950 and incorporated from 1958 to 1966. The increased number of incorporations after 1958 was probably related to the inception of the special tax treatment for small business corporations at that time.

A distribution of California farming corporations by gross sales of farm products showed very little difference in size of farming operation for one to 10 stockholders (table 16). However, more than half of the farming corporations with 19 or less stockholders had farm product sales of less than \$200,000 in 1968. More than half of the California farming corporations with 20 or more stockholders had farm product sales of \$500,000 or more. More than one-fourth of the corporations with less than five stockholders had farm product sales of \$500,000 or more. The number of stockholders seems to be related to size, but is not restrictive.

⁵ The intent was to establish the year the sole proprietorship or partnership that existed before incorporation began farming if applicable. The respondents probably often interpreted the question to refer to "the corporate firm"; therefore, the year incorporated was the same as the year farming was begun. This kind of misinterpretation may account partly for the large number of firms reporting both occurrences in the same year.

Table 16.—California: Sales of farm products by number of stockholders, 1968

Number of stockholders	Less than \$40,000	\$40,000 - \$199,999	\$200,000 \$499,999	\$500,000 or more	Total
	<hr/> -----Percent----- <hr/>				
1	14	38	18	30	100
2	15	36	19	30	100
3	19	31	25	25	100
4	14	37	26	23	100
5	23	32	22	23	100
6 - 9	19	46	16	19	100
10 - 19	17	38	17	28	100
20 - 59	9	18	21	52	100
60 or more	17	35	21	27	100
Total	17	35	21	27	100

Small Business Corporations in Farming in California

The Federal Government began in 1958 to permit small business corporations to be taxed as a partnership under subchapter "S" of section 1120 of the Federal income tax law. Under this provision, all income and net operating losses are distributed directly to shareholders; this procedure is similar to the tax treatment of partnerships. To qualify, the corporation must have only one class of stock and not more than 10 shareholders who are individuals or estates (but not trusts); the individuals may not be nonresident aliens. No more than 80 percent of the corporation's gross receipts may come from sources outside the United States. Also, no more than 20 percent of the gross receipts may be from royalties, rents, dividends, interests, annuities, and sales or exchanges of stock or securities. (5).

Slightly more than a fifth (22 percent) of the California farming corporations reported that they elected to be taxed for Federal income tax purposes under this provision. Subchapter "S" corporations in California had an average of 4.4 stockholders per farming corporation. Many of these corporations had substantial sales; 19 percent had farm product sales of \$10,000 or more in 1968. However, 30 percent of the nonsubchapter "S" corporations had sales of \$500,000.

The subchapter "S" corporations were more recently incorporated; 58 percent were incorporated since 1959, compared with 44 percent for nonsubchapter "S" corporations. The option was initiated by the Internal Revenue Service in 1958. Also, subchapter "S" corporations were more recent entrants

into farming; 45 percent had entered since 1959, compared with 41 percent for nonsubchapter "S" corporations.

Hawaiian Farming Corporations

Sixty corporations accounted for 82 percent of all sales of farm products in Hawaii in 1967 (table 17). These corporations and 82 units or subsidiaries accounted for only 36 percent of the land in farms, but they had 90 percent of the cropland harvested. About 95 percent of the sugarcane and fruit (chiefly pineapples) in Hawaii were sold by corporations. However, corporations sold only about 10 percent of the hogs, vegetables, and flowers.

Even though 60 corporations were reported for Hawaii, eight corporations and their subsidiaries dominated the agriculture in Hawaii, accounting for 73 percent of farm receipts in 1967. The stock of seven of the eight corporations is offered to the public either on the exchanges or over the counter.⁶

Unlike corporations in the mainland States, Hawaiian farming corporations were not predominately owned and controlled by families or individuals. Only 31 corporations were family owned and three were individually owned and controlled, while 47 were other types. A large number, 31 of 81 replies, of Hawaii farming corporations had other business interests. Of these, nine were involved in sugarcane processing and 19 had some other agribusiness activity.

⁶ The seven corporations are: Amfac, Inc.; Alexander & Baldwin, Inc.; Theo H. Davies, Inc.; Del Monte Corp.; Libby, McNeill & Libby; C. Brewer & Co.; and Castle and Cook, Inc.

Table 17.—Hawaii: Corporations, operating units, acreage and proportion of total farm receipts accounted for by corporations, 1968

Major enterprise	Corporations ¹	Operating units ²	Crop acreage	Total acres	Portion of total receipts
	Number	Number	1,000 acres	1,000 acres	Percent
Sugarcane ³	10	27	217	242	94
Pineapples ³	3	4	55	55)	
Other fruits and nuts ⁴ . .	5	7	4	4)	95
Flowers and vegetables . .	7	7	1	1	10
Beef cattle	21	23	—	500	50
Dairy	6	6	—	2	60
Poultry	5	5	—	5	25
Hogs, cattle feeding. . . .	3	3	—	5	10
Total	60	82	277	805	82

¹ Only the major enterprise counted for corporations having more than one enterprise.

² Subsidiaries or divisions of parent corporations.

³ Planted acreage.

⁴ Includes macadamia nuts, papaya, passion fruit.

⁵ Less than 500 acres.

Only 11 corporate farming units in Hawaii had sales of farm products of less than \$40,000 and 38 had sales of more than \$500,000 in 1967. The average sales per corporate unit or subsidiary were more than \$2 million. This average was weighted by the very largest corporations.

The agricultural production pattern of Hawaii is unique among the 50 States. A few major corporations dominate the three principal agricultural products—sugarcane, pineapple, and beef cattle. Sugarcane accounts for half of all farm receipts and more than 90 percent of the acreage was controlled by six major companies operating 29 subsidiaries or divisions of the parent corporations. The business interests of five of the six major sugar companies include many activities other than sugarcane, such as cattle ranches, pineapple, macadamia nuts, farm supply outlets, fertilizer and chemicals, farm machinery, truck and ocean shipping, and real estate development.

In addition to the ranching subsidiaries of the four major sugar companies, 21 other incorporated ranches were reported in the survey. The six largest ranches accounted for about two-thirds of the acreage in all incorporated ranches. The 25 corporation ranches, as a group, operated 528,000 acres or 43 percent of all pastureland reported by the 1964 Census of Agriculture. These ranches had a total of about 90,000 head of beef cattle in 1968. A substantial part of the acreage operated by ranch corporations was either on long-term lease from the

State or other landowners as was nearly half of the acreage given to sugarcane.

Four corporations produced pineapples on 55,000 acres in 1967. These corporations produced about 95 percent of the pineapples in Hawaii. The pineapple-producing companies were also processors and canners and marketed nationally recognizable brands.

A few corporations produced flowers, vegetables, milk, pork, poultry, and eggs. These corporations were much smaller in volume of sales than those involved in sugarcane, pineapples, or cattle ranches and were usually family owned and controlled.

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**Appendix table 1.—Farms and acres operated by farming corporations and commercial farms,
by State and region, United States, 1968**

State and region	Commercial farms ¹		Corporations ²		Corporations as percentage of commercial farms		Commercial farms	Corporations
	Farms	Land in farms	Farms	Land in farms	Farms ²	Land in farms		
	Number	1,000 acres	Number	1,000 acres	Percent	Percent	Average acres	Average acres
Maine	5,500	1,650	57	92	1	6	300	1,614
New Hampshire	1,700	450	14	6	1	1	265	429
Vermont	5,300	2,000	42	25	1	1	377	595
Massachusetts	3,800	550	120	68	3	12	145	567
Rhode Island	500	50	14	6	3	12	100	429
Connecticut	2,900	450	117	60	4	13	155	513
New York	38,000	9,700	271	174	1	2	255	642
New Jersey	5,700	800	101	47	2	6	140	465
Pennsylvania	41,500	7,500	228	115	1	2	181	504
Delaware	2,600	600	50	39	2	6	231	780
Maryland	11,400	2,550	164	137	1	5	224	835
Northeast	118,900	26,300	1, 178	769	1	3	221	653
Michigan	50,500	10,250	213	145	3	1	203	681
Wisconsin	81,700	17,000	532	368	1	2	208	692
Minnesota	91,600	27,550	187	223	3	1	301	1,193
Lake States	223,800	54,800	932	736	3	1	245	790
Ohio	62,500	13,500	266	197	3	1	216	741
Indiana	62,500	15,350	315	228	1	1	246	724
Illinois	98,000	28,400	246	247	3	1	290	1,004
Iowa	122,800	32,500	288	240	3	1	265	833
Missouri	72,000	24,300	262	346	3	1	338	1,321
Corn Belt	417,800	114,050	1,377	1,258	3	1	273	914
North Dakota	39,500	39,650	29	61	3	3	1,004	2,103
South Dakota	40,000	40,950	237	1,600	1	4	1,024	6,751
Nebraska	62,000	46,200	467	1,886	1	4	745	4,039
Kansas	62,000	46,800	128	237	3	1	754	1,851
Northern Plains	203,500	173,600	861	3,784	3	2	853	4,395
Virginia	31,000	7,900	258	331	1	4	255	1,283
West Virginia	4,800	1,750	52	42	1	2	375	808
North Carolina	80,700	10,300	223	383	3	4	128	1,717
Kentucky	58,000	11,100	151	124	3	1	191	821
Tennessee	44,800	9,200	65	94	3	1	205	1,446
Appalachian	219,300	40,250	749	974	3	2	184	1,300
South Carolina	21,000	5,700	88	150	3	3	271	1,705
Georgia	39,000	13,000	220	387	1	3	333	1,759
Florida	13,500	12,500	1,215	3,864	9	31	926	3,180
Alabama	30,500	9,900	75	108	3	1	325	1,440
Southeast	104,000	41,100	1,598	4,509	2	11	395	2,822

See end of table for footnote reference.

Appendix table 1.—Farms and acres operated by farming corporations and commercial farms, by State and region, United States, 1968—Continued.

State and region	Commercial farms ¹		Corporations ²		Corporations as percentage of commercial farms		Commercial farms	Corporations
	Farms	Land in farms	Farms	Land in farms	Farms ²	Land in farms		
	Number	1,000 acres	Number	1,000 acres	Percent	Percent	Average acres	Average acres
Mississippi	34,000	11,350	294	727	1	6	334	2,473
Arkansas	27,300	11,300	301	657	1	6	414	2,183
Louisiana	17,800	8,050	240	706	1	9	455	2,942
Delta States	79,100	30,700	835	2,090	1	7	388	2,503
Oklahoma	37,500	27,900	35	99	3	3	744	2,829
Texas	78,000	118,200	455	4,434	1	4	1,515	9,745
Southern Plains	115,500	146,100	490	4,533	3	3	1,265	9,251
Montana	19,900	57,900	764	8,770	4	15	2,910	11,479
Idaho	18,700	13,350	488	1,492	3	11	714	3,057
Wyoming	6,400	32,450	302	5,488	5	17	5,070	18,172
Colorado	18,400	32,750	507	3,980	3	12	1,780	7,850
New Mexico	6,800	37,000	153	6,216	2	17	5,441	40,627
Arizona	3,200	18,100	205	2,165	6	12	5,656	10,561
Utah	7,300	10,300	364	2,862	5	28	1,411	7,863
Nevada	1,300	7,800	77	1,696	6	22	6,000	22,026
Mountain	82,000	209,650	2,860	32,669	3	16	2,557	11,423
Washington	20,700	16,000	381	647	2	4	773	1,698
Oregon	15,500	17,800	292	1,129	2	6	1,148	3,866
California	39,000	33,100	1,673	6,153	4	19	849	3,678
Pacific	75,200	66,900	2,346	7,929	3	12	890	3,380
48 States	1,639,100	903,450	13,226	59,251	1	7	551	4,480
Alaska	213	⁴ 1,722	5	⁵	2	—	8,084	—
Hawaii	2,821	⁴ 2,254	82	805	3	36	799	9,817
U.S. total	1,642,134	907,426	13,313	60,056	1	7	553	4,511

¹ All farms having gross sales of \$2,500 or more. Estimates for 1968 projected from 1964 Census of Agriculture.

² County unit basis; i.e., corporations having operations in more than one county or State were counted at each such location.

Number of corporations not strictly comparable with census number of farms.

³ Less than 0.5 percent.

⁴ 1964 Census of Agriculture.

⁵ Only 2 reported acres, so total not estimated.

Appendix table 2.—Farming corporations by type and region, 48 States, 1968¹

State and region	Type of corporation ²							
	Individual	Family	Other	Unclassified ³	Total	Individual	Family	Other
	-----Number-----					-----Percent-----		
Maine	7	45	4	1	57	13	80	7
New Hampshire	1	12	1	---	14	7	86	7
Vermont	6	28	4	4	42	16	74	10
Massachusetts	11	94	10	5	120	9	82	9
Rhode Island	---	13	1	---	14	---	93	7
Connecticut	9	89	18	1	117	8	77	15
New York	39	177	42	13	271	15	69	16
New Jersey	7	78	11	5	101	7	81	12
Pennsylvania	22	136	54	16	228	10	64	26
Delaware	8	35	4	3	50	17	74	9
Maryland	23	87	34	20	164	16	60	24
Northeast	133	794	183	68	1,178	12	72	16
Michigan	37	119	51	6	213	18	57	25
Wisconsin	53	336	123	20	532	10	66	24
Minnesota	17	101	63	6	187	9	56	35
Lake States	107	556	237	32	932	12	62	26
Ohio	31	154	67	14	266	12	61	27
Indiana	24	217	61	13	315	8	72	20
Illinois	27	158	55	6	246	11	66	23
Iowa	37	184	61	6	288	13	65	22
Missouri	28	158	68	8	262	11	62	27
Corn Belt	147	871	312	47	1,377	11	66	23
North Dakota	2	16	3	8	29	10	76	14
South Dakota	22	178	29	8	237	10	78	12
Nebraska	49	341	65	12	467	11	75	14
Kansas	11	82	32	3	128	9	66	25
Northern Plains	84	617	129	31	861	10	74	16
Virginia	38	159	43	18	258	16	66	18
West Virginia	8	31	9	4	52	17	64	19
North Carolina	32	143	44	4	223	15	65	20
Kentucky	25	69	47	10	151	18	49	33
Tennessee	17	29	8	11	65	31	54	15
Appalachian	120	431	151	47	749	17	61	22

See end of table for footnote references.

Appendix table 2.—Farming corporations by type and region, 48 States, 1968¹—Continued

State and region	Type of corporations ²							
	Individual	Family	Other	Unclassified ³	Total	Individual	Family	Other
	Number					Percent		
South Carolina .	8	57	23	---	88	9	65	26
Georgia	29	146	38	7	220	14	68	18
Florida	203	673	284	55	1,215	18	58	24
Alabama	16	41	17	1	75	22	55	23
Southeast . .	256	917	362	63	1,598	17	60	23
Mississippi . . .	67	175	46	6	294	23	61	16
Arkansas	25	197	62	17	301	9	69	22
Louisiana	31	146	48	15	240	14	65	21
Delta States .	123	518	156	38	835	15	65	20
Oklahoma	6	19	6	4	35	20	61	19
Texas	68	268	79	40	455	16	65	19
Southern Plains	74	287	85	44	490	17	64	19
Montana	30	653	54	27	764	4	89	7
Idaho	49	357	73	9	488	10	75	15
Wyoming	23	225	45	9	302	8	77	15
Colorado	39	329	100	39	507	8	70	22
New Mexico . . .	20	99	19	15	153	14	72	14
Arizona	26	127	49	3	205	13	63	24
Utah	30	245	69	20	364	9	71	20
Nevada	19	36	21	1	77	25	47	28
Mountain . .	236	2,071	430	123	2,860	9	75	16
Washington . . .	33	238	76	34	381	10	68	22
Oregon	29	186	49	28	292	11	70	19
California	363	838	285	187	1,673	25	56	19
Pacific	425	1,262	410	249	2,346	20	60	20
48 States	1,705	8,324	2,455	742	13,226	14	66	20

¹County unit basis: Corporations having operations in more than one county or State were counted in each such location.²Unclassified excluded from percentage distribution.³Type of corporation was not determined.

Appendix table 3.—Type of corporation by extent of business interests, and region, 48 States, 1968

Region and type of corporation	Farming only	Farming plus—		
		Agribusiness ¹	Nonagribusiness ²	Combination ³
	<hr style="border-top: 1px dashed black;"/> Percent <hr style="border-top: 1px dashed black;"/>			
Northeast:				
Individual	9	12	21	13
Family	81	69	54	65
Other	10	19	25	22
Total	100	100	100	100
Lake States:				
Individual	12	8	16	11
Family	71	55	56	52
Other	17	37	28	37
Total	100	100	100	100
Corn Belt:				
Individual	8	9	18	8
Family	73	57	58	68
Other	19	34	24	24
Total	100	100	100	100
Northern Plains:				
Individual	8	10	19	21
Family	82	57	63	46
Other	10	33	18	33
Total	100	100	100	100
Appalachian:				
Individual	13	12	25	15
Family	69	64	50	75
Other	18	24	25	10
Total	100	100	100	100
Southeast (excluding Florida):				
Individual	9	11	24	16
Family	70	63	59	68
Other	21	26	17	16
Total	100	100	100	100
Florida:				
Individual	18	11	24	16
Family	64	52	59	68
Other	18	37	17	16
Total	100	100	100	100
Delta States:				
Individual	5	10	19	14
Family	80	59	50	72
Other	15	31	31	14
Total	100	100	100	100

See end of table for footnote references.

Appendix table 3.—Type of corporation by extent of business interest and region, 48 States, 1968—Continued

Region and type of corporation	Farming only	Farming plus—		
		Agribusiness ¹	Nonagribusiness ²	Combination ³
		<u>Percent</u>		
Southern Plains:				
Individual	12	18	21	27
Family	72	59	53	60
Other	16	23	26	13
Total	100	100	100	100
Mountain:				
Individual	6	12	17	12
Family	83	61	53	57
Other	11	27	30	31
Total	100	100	100	100
Pacific (excluding California):				
Individual	9	6	18	10
Family	79	49	56	50
Other	12	45	26	40
Total	100	100	100	100
California:				
Individual	23	19	26	26
Family	59	64	46	58
Other	18	17	28	16
Total	100	100	100	100
48 States:				
Individual	12	12	20	14
Family	73	59	54	60
Other	15	29	26	26
Total	100	100	100	100

¹ Farm supplies, or marketing or processing of farm products.² Business activities unrelated to production or marketing of farm products.³ Both agribusiness and other business activities.

Appendix table 4.—Extent of business interests of farming corporations, by region, 48 States, 1968

State and region	Farming only	Farming plus--			Total
		Agribusiness ¹	Nonagribusiness ²	Combination ³	
	-----Percent-----				
Maine	48	38	9	5	100
New Hampshire	62	15	15	8	100
Vermont	40	37	18	5	100
Massachusetts	71	15	11	3	100
Rhode Island	50	29	14	7	100
Connecticut	64	19	11	6	100
New York	49	22	24	5	100
New Jersey	61	23	11	5	100
Pennsylvania	37	23	34	6	100
Delaware	16	53	22	9	100
Maryland	61	16	21	2	100
Northeast	52	23	20	5	100
Michigan	44	27	22	7	100
Wisconsin	56	19	22	3	100
Minnesota	42	31	22	5	100
Lake States	50	23	22	5	100
Ohio	42	23	33	2	100
Indiana	54	18	24	4	100
Illinois	40	21	33	6	100
Iowa	52	20	24	4	100
Missouri	50	17	28	5	100
Corn Belt	48	20	28	4	100
North Dakota	35	25	40	0	100
South Dakota	74	6	17	3	100
Nebraska	63	17	17	3	100
Kansas	59	17	21	3	100
Northern Plains	65	14	18	3	100
Virginia	59	12	25	4	100
West Virginia	68	7	23	2	100
North Carolina	29	29	32	10	100
Kentucky	33	16	49	2	100
Tennessee	25	34	31	10	100
Appalachian	43	20	31	6	100
South Carolina	48	28	16	8	100
Georgia	45	20	24	11	100
Florida	66	16	15	3	100
Alabama	40	22	35	3	100
Southeast	61	18	17	4	100

See end of table for footnote references.

Appendix table 4.—Extent of business interests of farming corporations, by region, 48 States, 1968—Continued

State and region	Farming only	Farming plus—			Total
		Agribusiness ¹	Nonagribusiness ²	Combination ³	
		-----Percent-----			
Mississippi	71	17	10	2	100
Arkansas	60	19	16	5	100
Louisiana	59	14	21	6	100
Delta States	63	17	16	4	100
Oklahoma	52	7	24	17	100
Texas	56	20	20	4	100
Southern Plains . . .	55	20	20	5	100
Montana	84	4	10	2	100
Idaho	72	10	13	5	100
Wyoming	73	4	21	2	100
Colorado	69	7	21	3	100
New Mexico	75	8	15	2	100
Arizona	77	11	9	3	100
Utah	70	5	23	2	100
Nevada	70	3	23	4	100
Mountain	75	7	15	3	100
Washington	68	18	10	4	100
Oregon	62	11	23	4	100
California	83	7	9	1	100
Pacific	65	15	16	4	100
48 States	63	15	18	4	100

¹ Farm supplies, or marketing or processing of farm products.² Business activities unrelated to production of agricultural products.³ Both agribusiness and other business activities.

Appendix table 5.—Rank of farming among business activities of corporations, by region, 48 States, 1968¹

State and region	Farming major activity			Farming secondary activity			Total
	Farming only	With other activity	Total	Farming ranked--		Total	
				2nd	3rd or lower		
	-----Percent-----						
Maine	48	15	63	31	6	37	100
New Hampshire	62	—	62	28	10	38	100
Vermont	40	9	49	48	3	51	100
Massachusetts	71	10	81	17	2	19	100
Rhode Island	50	29	79	21	—	21	100
Connecticut	64	10	74	18	8	26	100
New York	49	10	59	37	4	41	100
New Jersey	61	9	70	27	3	30	100
Pennsylvania	37	9	46	46	8	54	100
Delaware	16	—	16	69	15	84	100
Maryland	61	3	64	31	5	36	100
Northeast	52	9	61	33	6	39	100
Michigan	44	13	57	38	5	43	100
Wisconsin	56	9	65	32	3	35	100
Minnesota	42	10	52	40	8	48	100
Lake States	50	10	60	35	5	40	100
Ohio	42	4	46	49	5	54	100
Indiana	54	7	61	35	4	39	100
Illinois	40	10	50	45	5	50	100
Iowa	52	12	64	31	5	36	100
Missouri	50	15	65	33	2	35	100
Corn Belt	48	10	58	38	4	42	100
North Dakota	35	20	55	40	5	45	100
South Dakota	74	10	84	13	3	16	100
Nebraska	63	9	72	25	3	28	100
Kansas	59	7	66	30	4	34	100
Northern Plains	65	9	74	23	3	26	100
Virginia	59	8	67	31	2	33	100
West Virginia	68	2	70	27	3	30	100
North Carolina	29	14	43	45	12	57	100
Kentucky	33	7	40	56	4	60	100
Tennessee	25	10	35	55	10	65	100
Appalachian	43	10	53	41	6	47	100

See end of table for footnote references.

Appendix table 5.—Rank of farming among business activities of corporations, by region, 48 States, 1968¹—Continued

State and region	Farming major activity			Farming secondary activity			Total
	Farming only	With other activity	Total	Farming ranked--		Total	
				2nd	3rd or lower		
	-----Percent-----						
South Carolina	48	12	60	27	13	40	100
Georgia	45	13	58	35	7	42	100
Florida	66	10	76	22	2	24	100
Alabama	40	18	58	37	5	42	100
Southeast	61	11	72	25	3	28	100
Mississippi	71	7	78	20	2	22	100
Arkansas	60	15	75	21	4	25	100
Louisiana	59	17	76	21	3	24	100
Delta States	63	13	76	21	3	24	100
Oklahoma	52	9	61	30	9	39	100
Texas	56	9	65	29	6	35	100
Southern Plains	55	9	64	30	6	36	100
Montana	84	5	89	10	1	11	100
Idaho	72	6	78	17	5	22	100
Wyoming	73	3	76	23	1	24	100
Colorado	69	6	75	23	2	25	100
New Mexico	75	9	84	16	---	16	100
Arizona	77	12	89	11	---	11	100
Utah	70	9	79	20	1	21	100
Nevada	70	7	77	23	---	23	100
Mountain	75	6	81	17	2	19	100
Washington	68	9	77	19	4	23	100
Oregon	62	13	75	22	3	25	100
California	83	7	90	9	1	10	100
Pacific	79	8	87	12	1	13	100
48 States	63	9	72	25	3	28	100

¹ Gross sales basis for relative rankings.

Appendix table 6.—Farm product sales of corporations by extent of business interests and region, 48 States, 1967¹

Region and gross sales of farm products	Farming only	Farming plus—		
		Agribusiness ²	Nonagribusiness ³	Combination ⁴
	-----Percent-----			
Northeast:				
Less than \$40,000	18	30	54	37
\$40,000-\$99,999	35	22	22	22
\$100,000-\$199,999	20	20	13	13
\$200,000-\$499,999	17	14	7	15
\$500,000 or more	10	14	4	13
Total	100	100	100	100
Lake States:				
Less than \$40,000	40	26	65	21
\$40,000-\$99,999	30	27	23	31
\$100,000-\$199,999	19	16	6	18
\$200,000-\$499,999	8	20	3	12
\$500,000 or more	3	11	3	18
Total	100	100	100	100
Corn Belt:				
Less than \$40,000	37	32	61	25
\$40,000-\$99,999	32	24	18	25
\$100,000-\$199,999	17	20	11	17
\$200,000-\$499,999	9	12	7	10
\$500,000 or more	5	12	3	23
Total	100	100	100	100
Northern Plains:				
Less than \$40,000	37	32	56	24
\$40,000-\$99,999	30	20	23	25
\$100,000-\$199,999	16	14	10	17
\$200,000-\$499,999	9	13	7	17
\$500,000 or more	8	21	4	17
Total	100	100	100	100
Appalachian:				
Less than \$40,000	43	36	69	40
\$40,000-\$99,999	26	21	14	22
\$100,000-\$199,999	19	13	8	15
\$200,000-\$499,999	8	15	4	10
\$500,000 or more	4	15	5	13
Total	100	100	100	100
Southeast (excluding Fla.):				
Less than \$40,000	28	28	58	29
\$40,000-\$99,999	25	13	25	23
\$100,000-\$199,999	20	17	7	32
\$200,000-\$499,999	19	17	5	13
\$500,000 or more	8	25	5	3
Total	100	100	100	100

See end of table for footnote references.

Appendix table 6.—Farm product sales of corporations by extent of business interests and region, 48 States, 1967¹—Continued

Region and gross sales of farm products	Farming only	Farming plus—		
		Agribusiness ²	Nonagribusiness ³	Combination ⁴
	-----Percent-----			
Florida:				
Less than \$40,000	45	26	46	14
\$40,000-\$99,999	22	14	23	11
\$100,000-\$199,999	15	18	9	11
\$200,000-\$499,999	12	16	13	29
\$500,000 or more	6	26	9	35
Total	100	100	100	100
Delta States:				
Less than \$40,000	17	18	48	15
\$40,000-\$99,999	28	15	23	6
\$100,000-\$199,999	34	18	18	15
\$200,000-\$499,999	18	22	6	21
\$500,000 or more	3	27	5	43
Total	100	100	100	100
Southern Plains:				
Less than \$40,000	36	25	57	29
\$40,000-\$99,999	37	27	20	6
\$100,000-\$199,999	14	17	9	18
\$200,000-\$499,999	7	13	9	—
\$500,000 or more	6	18	5	47
Total	100	100	100	100
Mountain:				
Less than \$40,000	37	34	49	32
\$40,000-\$99,999	34	22	21	18
\$100,000-\$199,999	17	15	15	21
\$200,000-\$499,999	8	16	9	13
\$500,000 or more	4	13	6	16
Total	100	100	100	100
Pacific (excluding Calif.):				
Less than \$40,000	29	27	46	21
\$40,000-\$99,999	32	25	20	42
\$100,000-\$199,999	18	16	16	16
\$200,000-\$499,999	15	12	11	5
\$500,000 or more	6	20	7	16
Total	100	100	100	100
California:				
Less than \$40,000	15	7	33	20
\$40,000-\$99,999	18	9	17	19
\$100,000-\$199,999	17	15	12	14
\$200,000-\$499,999	21	22	13	10
\$500,000 or more	29	47	25	37
Total	100	100	100	100

See end of table for footnote reference

Appendix table 6.—Farm product sales of corporations by extent of business interests and region, 48 States, 1967¹—Continued

Region and gross sales of farm products	Farming only	Farming plus--		
		Agribusiness ²	Nonagribusiness ³	Combination ⁴
48 States:				
Less than \$40,000	31	27	55	28
\$40,000-\$99,999	29	21	20	21
\$100,000-\$199,999	18	17	11	17
\$200,000-\$499,999	13	16	8	13
\$500,000 or more	9	19	6	21
Total	100	100	100	100

¹ County unit basis; i.e., corporations having operations in more than one county or State were counted at each such location.

² Farm supplies, or marketing or processing of farm products.

³ Business activities unrelated to production or marketing of farm products.

⁴ Both agribusiness and nonagribusiness.

Appendix table 7.—Distribution of corporations by type, and year firm began farming as a corporation, by region, 48 States, 1968¹

Region	Individual				Family				Other				All corporations			
	Be- fore 1960	1960- 66	1967- 68	Total	Be- fore 1960	1960- 66	1967- 68	Total	Be- fore 1960	1960- 66	1967- 68	Total	Be- fore 1960	1960- 66	1967- 68	Total
	-----Percent-----															
Northeast	53	39	8	100	60	35	5	100	46	46	8	100	57	37	6	100
Lake States	51	45	4	100	52	41	7	100	50	37	13	100	52	40	8	100
Corn Belt	40	50	10	100	40	52	8	100	38	52	10	100	40	51	9	100
Northern Plains	35	54	11	100	29	58	13	100	37	47	16	100	31	56	13	100
Appalachian	51	43	6	100	50	40	10	100	44	49	7	100	49	42	9	100
Southeast (excl. Fla.)	55	35	10	100	51	42	7	100	45	39	16	100	50	41	9	100
Florida	56	37	7	100	52	41	7	100	47	47	6	100	52	41	7	100
Delta	36	52	12	100	42	46	12	100	47	37	16	100	42	45	13	100
Southern Plains	34	57	9	100	35	53	12	100	28	51	21	100	33	53	14	100
Mountain	48	43	9	100	51	43	6	100	44	48	8	100	50	43	7	100
Pacific (excl. Calif.)	46	49	5	100	35	56	9	100	46	48	6	100	39	53	8	100
California	49	45	6	100	49	48	3	100	40	56	4	100	47	49	4	100
48 States	47	45	8	100	48	45	7	100	43	47	10	100	46	46	8	100

¹The year incorporated if the firm was farming first; the year began farming if the firm was incorporated first; or both events may have occurred in the same year.

**Appendix table 8.—Distribution of corporations by extent of business interests and year firm began farming
as a corporation, by region, 48 States, 1968¹**

Year began and extent of business interest	North- east	Lake States	Corn Belt	Northern Plains	Appala- chian	South- east (excl. Fla.)	Florida	Delta States	Southern Plains	Moun- tain	Pacific (excl. Calif.)	Calif.	48 States
	-----Percent-----												
Farming only:													
Before 1960	50	48	30	24	38	44	49	32	26	49	33	44	42
1960-1966	42	44	60	60	50	45	44	53	60	44	57	52	49
1967-1968	8	8	10	16	12	11	7	15	14	7	10	4	9
Total	100	100	100	100	100	100	100	100	100	100	100	100	100
Agribusiness:													
Before 1960	74	63	52	46	64	58	58	56	43	55	50	68	59
1960-1966	24	32	41	48	30	40	36	33	49	39	45	30	36
1967-1968	2	5	7	6	6	2	6	11	8	6	5	2	5
Total	100	100	100	100	100	100	100	100	100	100	100	100	100
Nonagribusiness:													
Before 1960	53	48	45	41	50	51	52	56	38	50	42	53	48
1960-1966	41	43	47	49	42	38	40	38	44	45	52	44	44
1967-1968	6	9	8	10	8	11	8	6	18	5	6	3	8
Total	100	100	100	100	100	100	100	100	100	100	100	100	100
Combination:													
Before 1960	65	47	55	59	72	63	79	73	60	61	65	68	63
1960-1966	31	40	36	33	28	28	21	18	25	29	30	21	29
1967-1968	4	13	9	8	—	9	—	9	15	10	5	11	8
Total	100	100	100	100	100	100	100	100	100	100	100	100	100
All corporations:													
Before 1960	57	52	40	31	49	50	52	42	33	50	39	47	46
1960-1966	37	40	51	56	42	41	41	45	53	43	53	49	46
1967-1968	6	8	9	13	9	9	7	13	14	7	8	4	8
Total	100	100	100	100	100	100	100	100	100	100	100	100	100

¹The year incorporated if the firm was farming first; the year began farming if the firm was incorporated first; or both events may have occurred in the same year.

Appendix table 9.—Major crops: Corporations reporting, crop acres, and average acreage, by region, 48 States, 1967

Crop	Unit	North-east	Lake States	Corn Belt	North-ern Plains	Appala-chian	South-east (excl. Fla.)	Florida	Delta States	South-ern Plains	Moun-tain	Pacific (excl. Calif.)	Calif.	48 States
Corn:														
Corporations reporting . .	Percent	38	58	84	50	51	56	7	15	8	14	5	10	35
Crop acres ¹ . .	do.	16	24	49	22	26	28	4	1	7	3	1	3	11
Average acres .	Number	180	205	343	311	159	250	315	102	578	140	79	482	255
Wheat:														
Corporations reporting . .	Percent	19	17	42	48	18	16	1 ³	29	24	37	40	2	29
Crop acres ¹ . .	do.	3	4	7	23	4	3	3	7	15	24	44	—	11
Average acres .	Number	68	127	104	333	69	107	450	330	439	465	690	—	324
Other grains:														
Corporations reporting . .	Percent	21	45	28	43	24	32	1 ³	11	50	50	16	44	38
Crop acres ¹ . .	do.	4	14	4	15	6	12	3	7	43	18	12	35	17
Average acres .	Number	79	160	92	236	83	188	176	330	515	258	500	1,263	372
Soybeans:														
Corporations reporting . .	Percent	7	15	56	9	21	32	1	63	6	3	—	—	17
Crop acres ¹ . .	do.	3	4	23	1	19	19	1	52	2	3	—	—	9
Average acres .	Number	223	155	234	81	276	282	561	1,055	207	4	—	—	459
Hay:														
Corporations reporting . .	Percent	42	53	50	59	46	47	7	24	36	63	26	27	49
Crop acres ¹ . .	do.	15	15	11	37	18	15	2	4	14	42	18	11	19
Average acres .	Number	155	144	132	441	123	157	166	209	255	474	431	584	324
Sugarbeets:														
Corporations reporting . .	Percent	2	2	1 ³	2	—	—	—	—	1 ³	9	4	13	5
Crop acres ¹ . .	do.	1	1	4	1	—	—	—	—	4	2	1	4	1
Average acres .	Number	218	166	—	189	—	—	—	—	—	125	156	414	233
Sugarcane:														
Corporations reporting . .	Percent	—	—	—	—	—	—	6	12	—	—	—	—	2
Crop acres ¹ . .	do.	—	—	—	—	—	—	30	10	—	—	—	—	3
Average acres .	Number	—	—	—	—	—	—	2,622	1,125	—	—	—	—	1,807

See end of table for footnote references.

Appendix table 9.—Major crops: Corporations reporting, crop acres, and average acreage, by region, 48 States, 1967—Continued

Cotton:														
Corporations reporting . .	Percent	—	—	2	—	11	34	³	50	27	6	—	23	11
Crop acres ¹ . .	do.	—	—	1	—	4	9	³	17	12	4	—	12	6
Average acres .	Number	—	—	342	—	113	134	54	431	293	411	—	811	457
Potatoes:														
Corporations reporting . .	Percent	8	11	2	2	2	—	3	1	³	7	6	4	5
Crop acres ¹ . .	do.	6	8	1	1	2	—	5	³	³	3	5	1	3
Average acres .	Number	282	398	254	183	354	—	1,140	⁴	⁴	310	494	591	400
Other vegetables:														
Corporations reporting . .	Percent	NA	NA	NA	NA ³	NA	NA ³	NA	NA	NA	NA	NA	NA	—
Crop acres ¹ . .	do.	16	23	1	³	7	³	17	1	4	2	8	15	8
Citrus:														
Corporations reporting . . .	do.	—	—	—	—	—	—	53	—	NR	—	—	22	8
Crop acres ¹ . . .	do.	—	—	—	—	—	—	35	—	NR	—	—	3	3
Average acres .	Number	—	—	—	—	—	—	371	—	—	—	—	188	313
Other fruit:														
Corporations reporting . .	Percent	NA	NA	NA	NA ³	NA	NA	NA	NA	NA	NA	NA	NA	—
Crop acres ¹ . .	do.	32	4	3	³	9	6	4	1	1	1	5	8	5
Other Crops:														
Corporations reporting . .	Percent	NA	NA	NA	NA ³	NA	NA	NA	NA ³	NA	NA	NA	NA	—
Crop acres ¹ . .	do.	4	3	—	³	5	8	2	³	2	1	6	8	3
Percentage reporting any crops . . .														
	Percent	89	94	92	83	89	80	83	88	72	84	87	84	86
Average acres all crops . . .														
	Number	535	535	641	829	365	598	673	1,464	1,160	843	632	1,447	831

NA = Not available from tabulations.

NR = Not reported

¹Includes an estimate for nonresponse based on assumption nonresponse is similar to the response group.²Small acres of wheat were included with other grains in California.³Less than 0.5 percent.⁴Not shown due to very few reports.

Appendix table 10.—Major livestock enterprises: Corporations reporting and average head, by region, 48 States, 1967

Livestock enterprise	Unit	North-east	Lake States	Corn Belt	North-ern Plains	Appala-chian	South-east (excl. Fla.)	Florida	Delta States	South-ern Plains	Moun-tain	Pacific (excl. Calif.	Calif. ¹	48 States
Beef cows:														
Corporations reporting . .	Percent	10	15	30	52	42	48	26	37	53	55	32	9	34
Average head . . .	Number	101	184	153	431	177	280	671	309	435	586	542	780	452
Yearling cattle:														
Corporation reporting . .	Percent	17	3	1	8	23	29	10	16	23	6	1	7	10
Average head . . .	Number	66	176	360	991	187	136	264	197	423	1,000	721	806	429
Fed cattle:														
Corporations reporting . .	Percent	11	22	37	37	22	20	4	8	20	20	21	12	19
Average head . . .	Number	202	333	832	3,605	256	1,345	1,485	662	7,151	1,984	1,086	6,993	2,363
Milk cows:														
Corporations reporting . .	Percent	30	20	12	7	15	11	8	3	4	8	7	5	11
Average head . . .	Number	131	76	92	42	144	157	854	214	159	93	94	409	178
Hogs:														
Corporations reporting . .	Percent	3	10	26	13	12	12	1	4	6	2	1	1	7
Average head . . .	Number	315	554	821	487	705	1,014	601	1,074	3,093	509	82	1,443	759
Sheep:														
Corporations reporting . .	Percent	2	1	2	5	4	—	²	1	7	9	5	1	5
Average head . . .	Number	88	2,649	128	947	448	—	300	112	3,548	3,857	2,133	3,780	3,169
Broilers:														
Corporations Reporting . .	Percent	4	2	2	—	4	5	²	4	1	²	1	1	2
Average head (1,000) . . .	Number	647	340	112	—	1,261	1,899	2,000	2,027	5,013	173	80	592	1,076

Appendix table 10.—Major livestock enterprises: Corporations reporting and average head, by region, 48 States, 1967—Continued

Laying hens														
Corporations reporting . .	Percent	9	4	7	3	8	17	2	6	4	1	4	5	5
Average head (1,000)	Number	73	105	47	384	48	92	107	159	137	50	79	160	155
Turkeys														
Corporations reporting . .	Percent	1	5	4	1	4	2	²	1	3	²	1	1	2
Average head (1,000) . . .	Number	11	179	105	43	238	108	—	90	260	59	130	118	195
Horses:														
Corporations reporting . .	Percent	3	2	2	2	4	3	1	1	3	9	1	1	4
Average head . . .	Number	91	36	55	43	46	21	65	17	11	29	36	11	36
Any livestock:														
Corporations reporting . . .	Percent	52	49	59	77	67	73	33	45	66	74	45	29	56

¹ 1968 data.² Less than 0.5 percent.

Appendix table 11.—Summary of responses for California mail survey of farming corporations, 1968

Item	Number	Percent	Number	Percent	Number	Percent
Income tax list	1,860	72.5				
ASCS county list	¹ 563	21.9				
SRS large producers	¹ 118	4.6				
Dunn and Bradstreet	¹ 25	1.0				
Total mailing list	2,566	100.0				
Less returns with address problems	41					
Total potential responses	2,525	100.0				
Responses	1,915	75.8		100.0		
Qualifying questionnaires			1,228	64.1		
Nonqualifying questionnaires			687	35.9		100.0
Out of business					119	17.3
Inactive					69	10.0
Nonagricultural					217	31.6
Not incorporated					144	21.0
All land rented out					112	16.3
Out of State					23	3.4
Other reasons					3	.4
Nonresponse	610	24.2				
Number contacted in followup survey ²			164	100.0		
Qualifying questionnaires			121	73.8		
Nonqualifying questionnaires			43	26.2		100.0
Out of business					13	30.2
Inactive					4	9.3
Nonagricultural					10	23.3
Not incorporated					13	30.2
All land rented out					2	4.7
Out of State					—	—
Other reason					1	2.3

¹ Excludes duplication.² Nonresponse survey included 272 cases; however, because of time limit on survey and other problems 108 (39.7 percent) were not directly contacted.